TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
BETTER OFF THAN YEAR AGO:													
Income is higher	28%	25%	32%	28%	29%	26%	27%	27%	27%	28%	25%	27%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	17	18	21	20	22	23	17	18	23	20	24	21
Higher prices	33	36	33	29	33	30	29	27	27	29	27	27	23

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

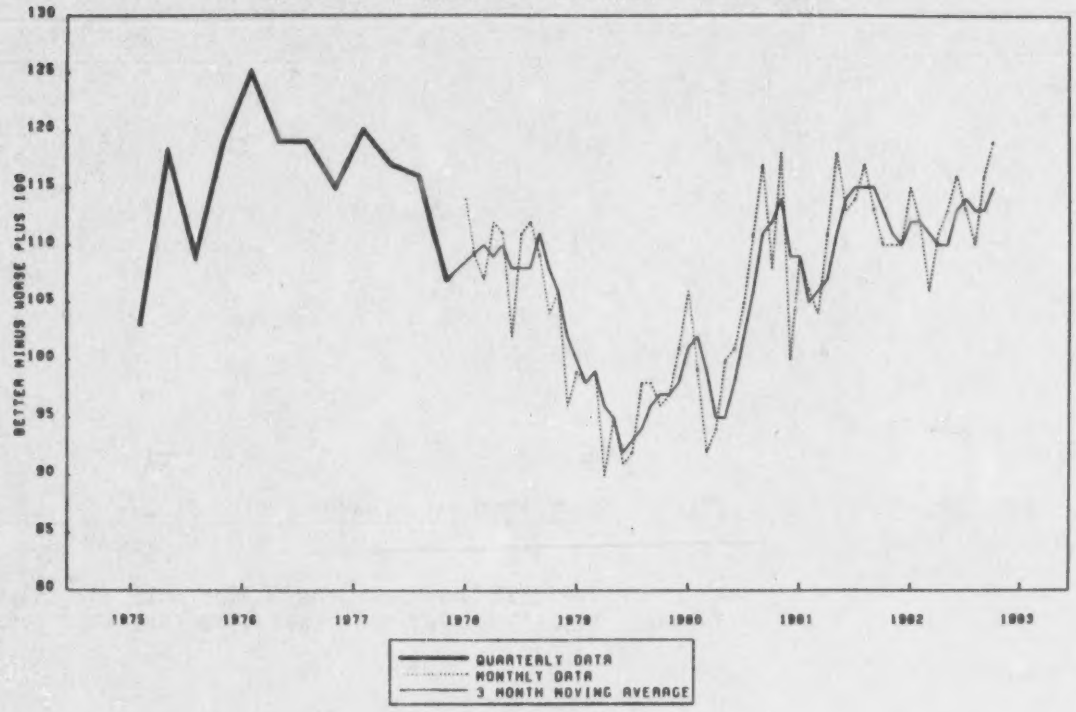


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

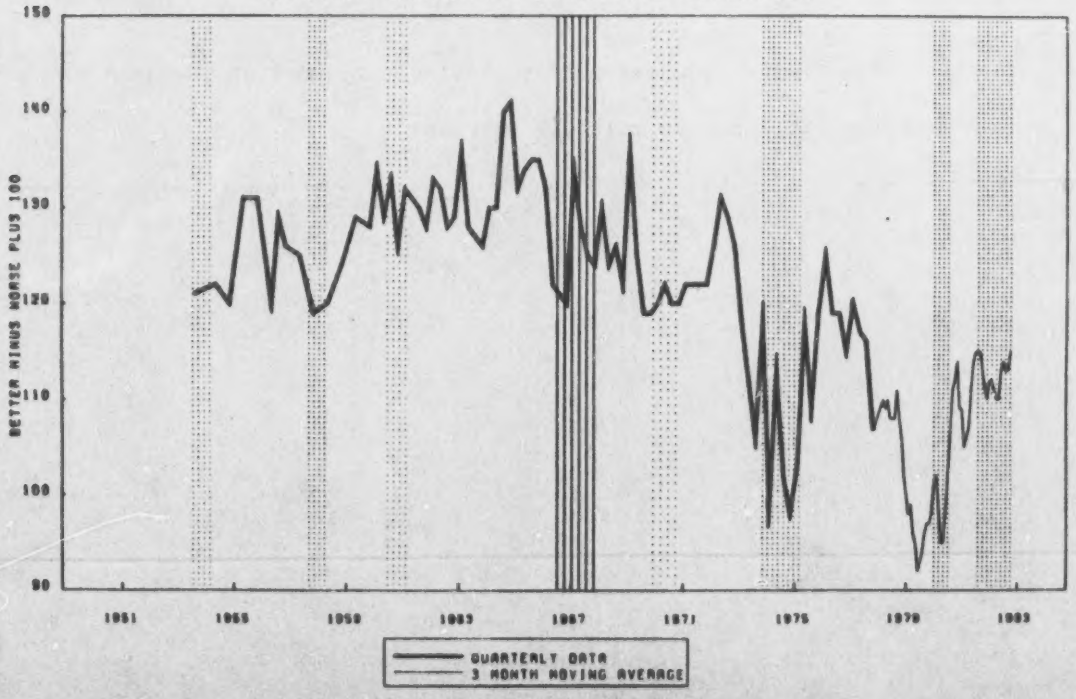


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
BETTER OFF	29%	30%	30%	33%	30%	27%	31%	30%	34%	30%	30%	33%	35%
SAME	49	46	48	46	47	48	45	49	45	49	46	48	45
WORSE OFF	19	20	20	18	18	21	20	17	18	17	20	17	16
DK,NA	3	4	2	3	5	4	4	4	3	4	4	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

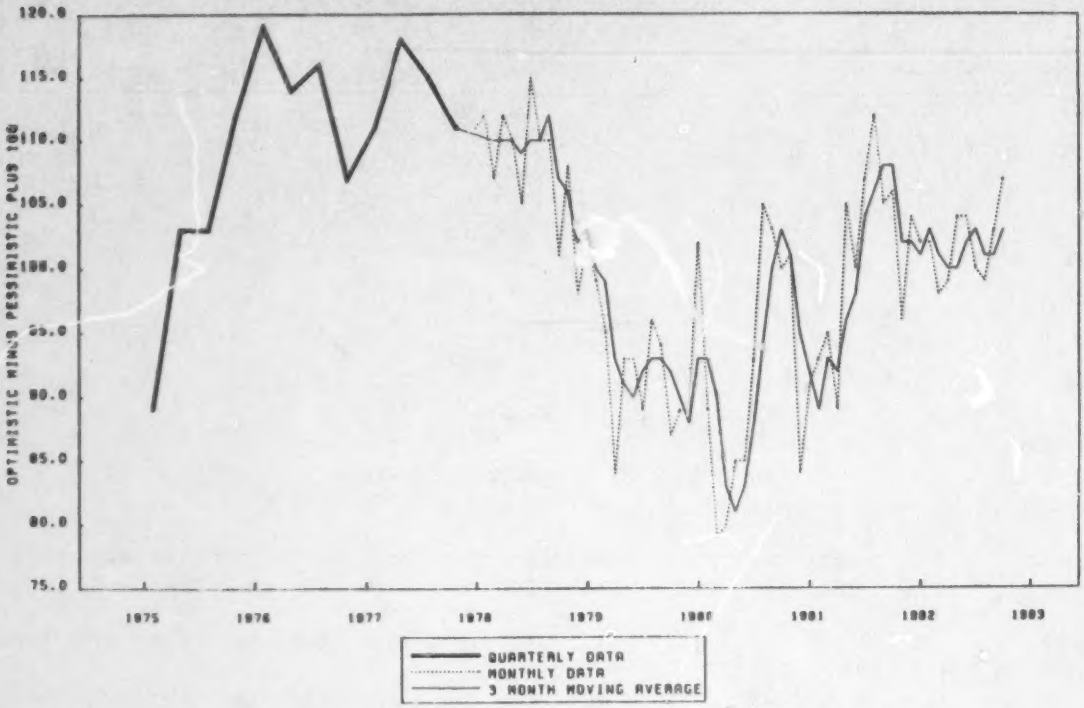


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

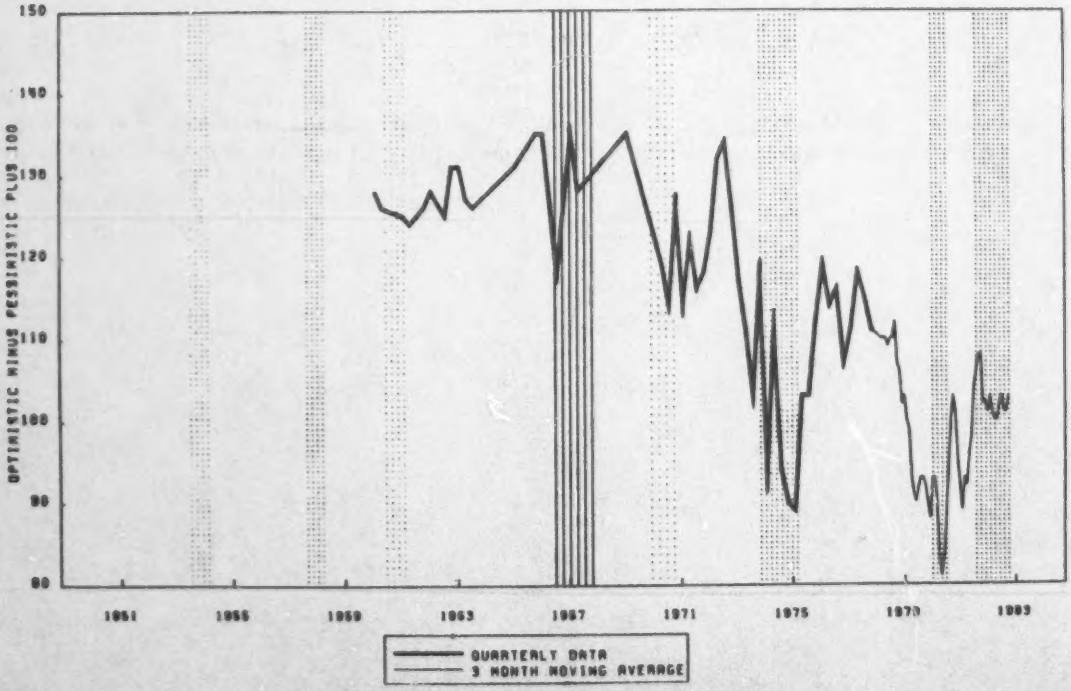


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	13%	13%	13%	15%	15%	11%	12%	14%	14%	15%	15%	15%	18%
Intermittent increase (b)	21	19	25	21	19	22	20	23	22	19	18	21	20
Remain unchanged (c)	21	14	14	15	18	14	17	17	16	17	18	16	14
Intermittent decline (d)	15	23	22	23	20	22	21	22	23	23	21	22	21
Continuous decline (e)	13	13	12	11	12	13	12	11	9	11	13	11	10
Mixed change (f)	14	14	11	12	11	14	14	9	13	11	11	12	12
DK,NA	3	4	3	3	5	4	4	4	3	4	4	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

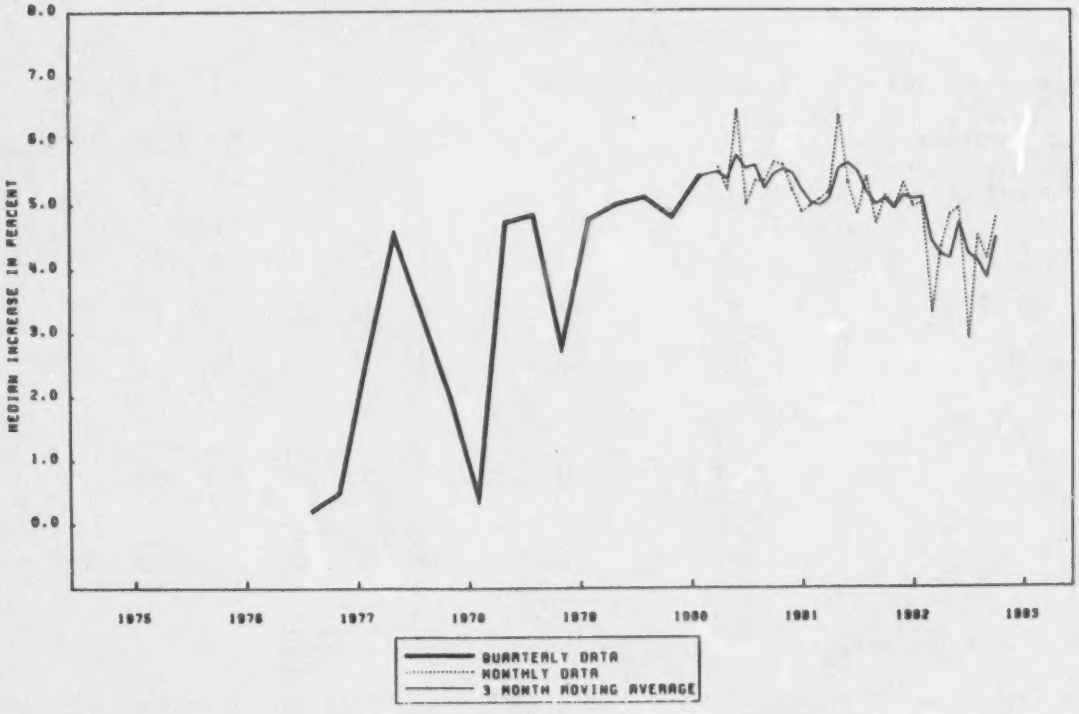


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
EXPECT INCREASE:													
1-4%	6%	5%	5%	7%	5%	5%	7%	5%	6%	9%	8%	6%	7%
5%	10	9	9	10	9	8	10	9	11	8	7	9	9
6-9%	13	8	10	11	12	9	8	11	13	10	12	9	11
10-24%	21	23	24	22	22	19	19	20	20	17	18	21	18
25% or more	6	8	8	7	6	7	7	8	7	6	7	7	8
DK how much up	6	4	6	4	6	6	6	7	4	6	5	4	7
EXPECT SAME	24	25	21	23	25	25	24	24	21	27	24	30	23
EXPECT DOWN	12	15	15	14	13	18	18	15	17	16	15	13	14
DK,NA	2	3	2	2	2	3	1	1	1	1	3	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

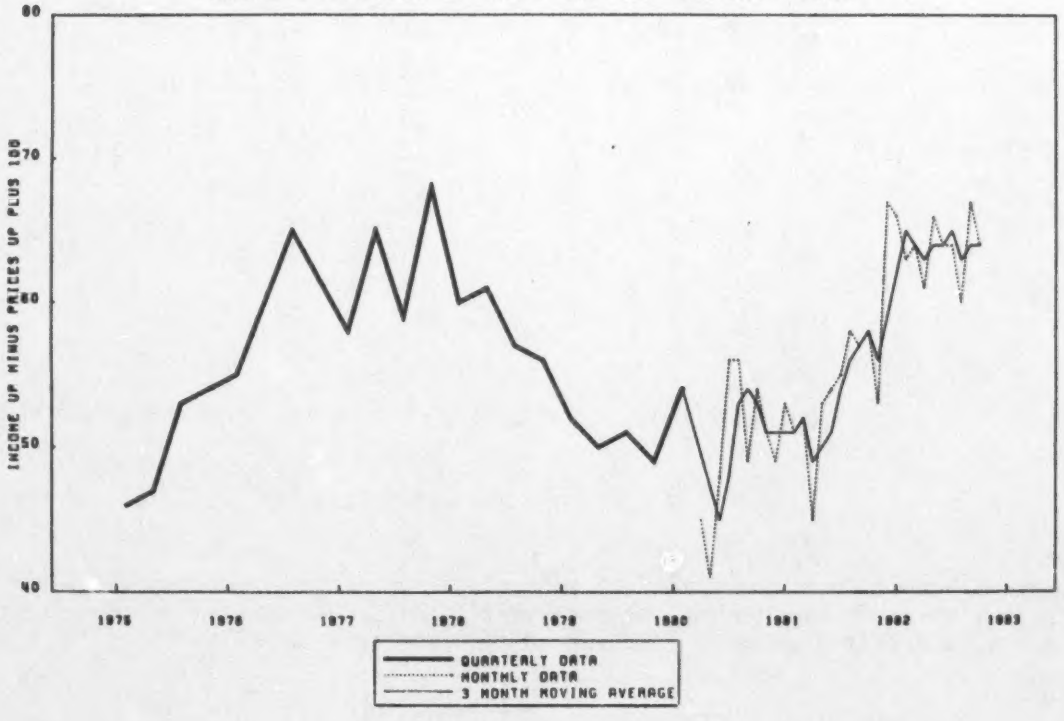


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
INCOME UP MORE	13%	12%	17%	17%	16%	16%	14%	18%	16%	17%	14%	17%	18%
INCOME UP SAME	30	27	32	30	30	31	32	29	31	29	30	32	27
PRICES UP MORE	55	59	50	51	53	52	53	52	52	53	54	50	54
DK,NA	2	2	1	2	1	1	1	1	1	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

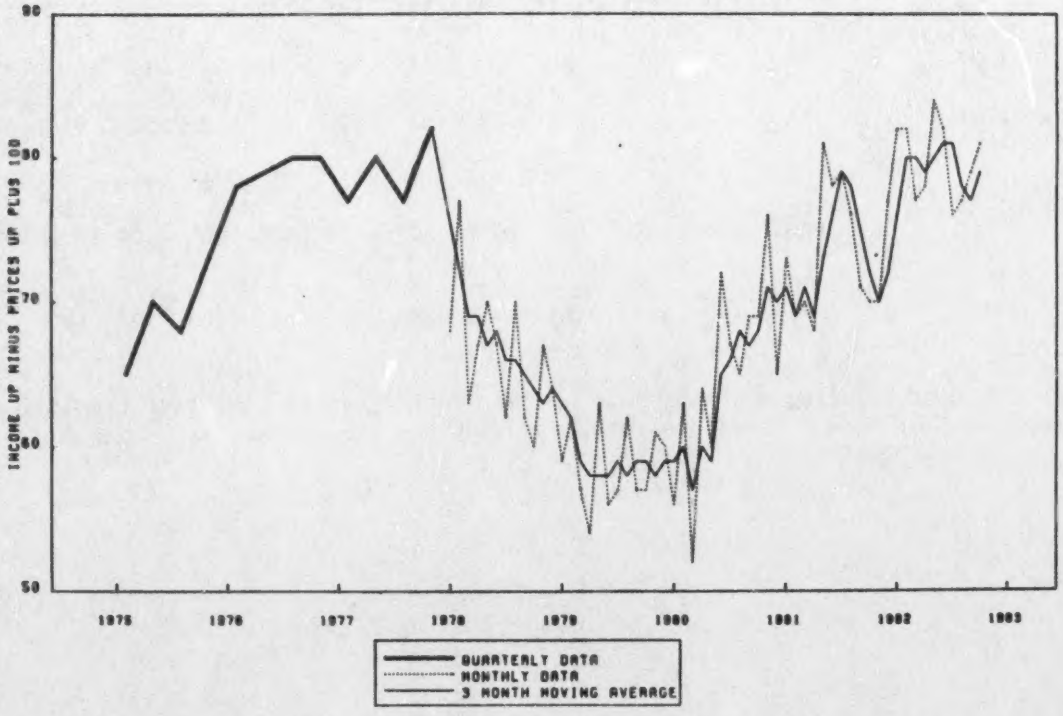


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
INCOME UP MORE	14%	13%	17%	17%	20%	16%	17%	19%	18%	16%	17%	20%	18%
INCOME UP SAME	40	41	41	45	40	41	42	43	43	41	40	37	42
PRICES UP MORE	44	43	40	35	38	39	39	35	36	40	40	41	37
DK,NA	2	3	2	3	2	4	2	3	3	3	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

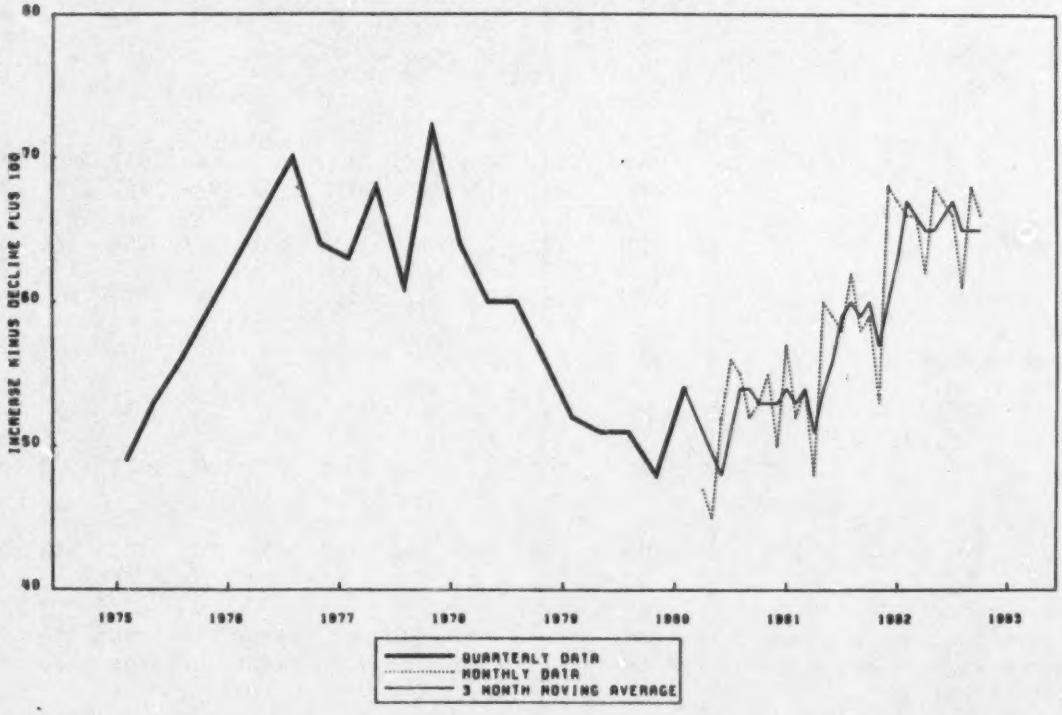


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
REAL INCOME PROGRESS:													
Continuous increase (a)	5%	5%	8%	9%	9%	7%	8%	10%	8%	8%	8%	9%	9%
Intermittent increase (b)	10	8	12	11	9	10	9	8	11	11	8	12	10
Remain unchanged (c)	18	17	19	19	20	20	19	20	19	19	19	18	17
Intermittent decline (d)	21	26	22	25	22	21	25	24	24	21	23	21	23
Continuous decline (e)	35	34	30	28	30	30	30	26	28	32	32	32	30
Mixed change (f)	8	6	6	5	8	8	6	9	7	5	6	5	8
DK,NA	3	4	3	3	2	4	3	3	3	4	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

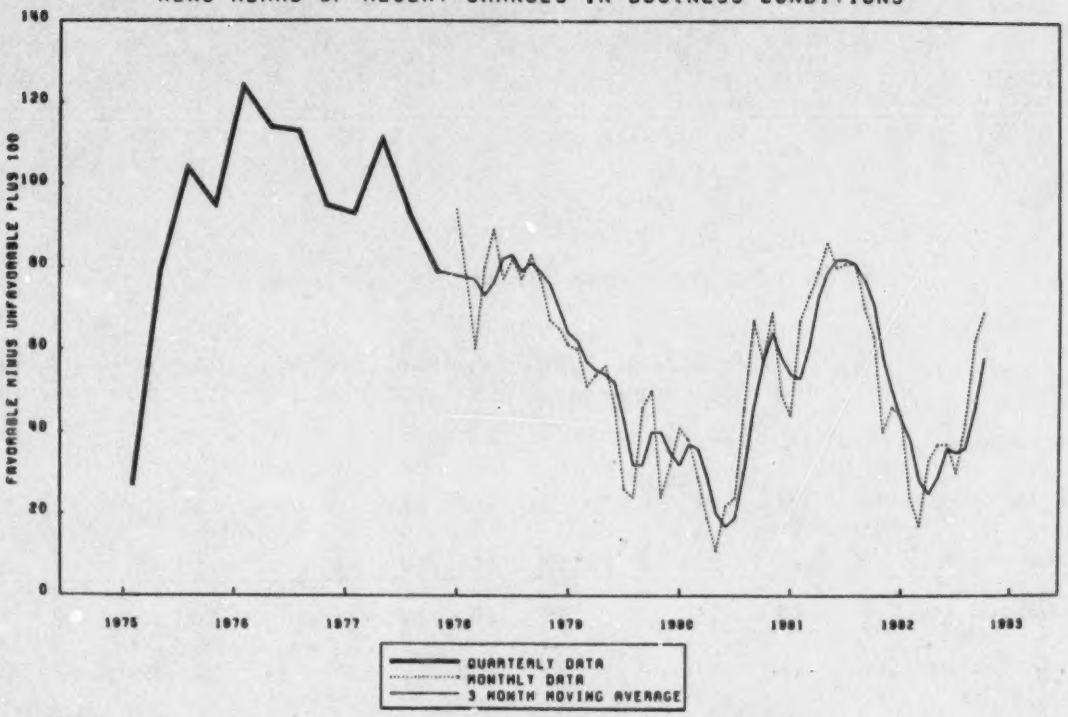


CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

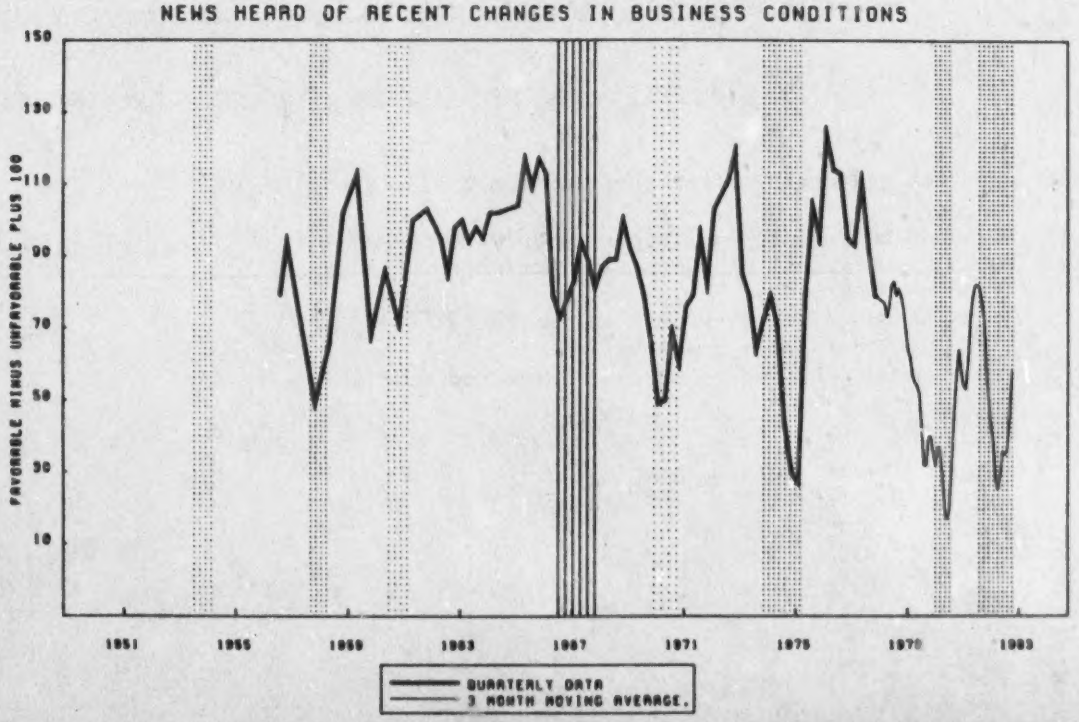


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
FAVORABLE NEWS	22%	14%	23%	23%	20%	18%	23%	23%	24%	20%	28%	40%	39%
UNFAVORABLE NEWS	59	74	77	79	96	101	90	86	87	90	86	78	70
NO MENTIONS	45	43	37	33	29	26	29	31	31	31	26	26	29

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

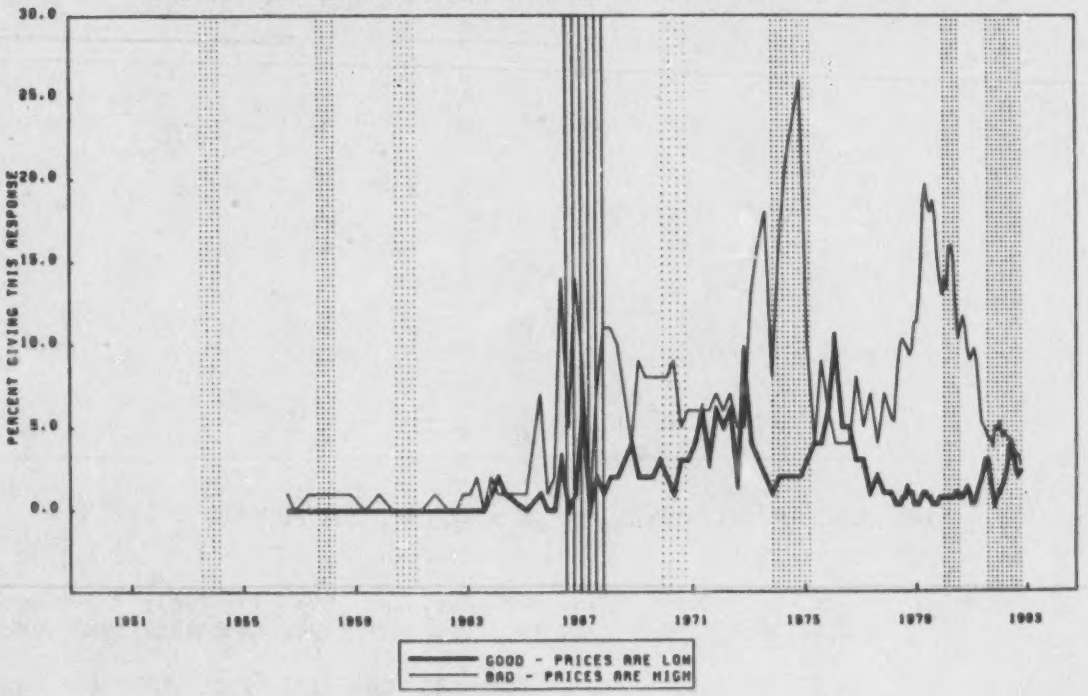


CHART 13B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

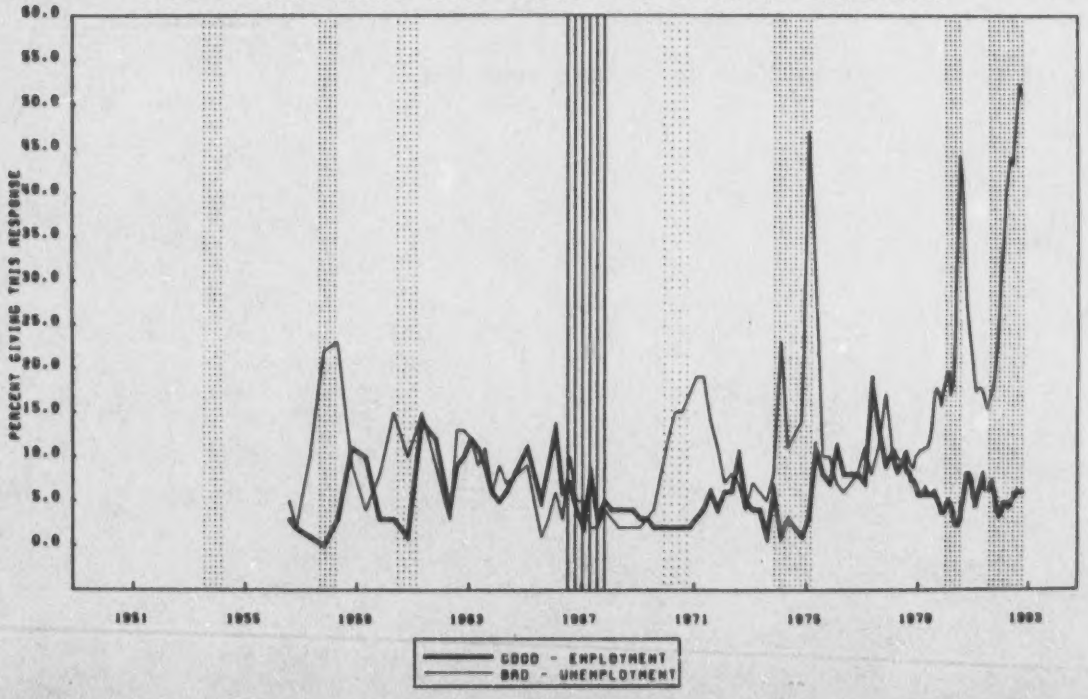


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
FAVORABLE NEWS:													
Government; elections	5%	3%	4%	4%	3%	4%	2%	2%	2%	2%	1%	3%	1%
Employment	4	2	4	5	5	4	4	6	6	5	7	6	5
Consumer demand high	1	1	1	1	*	*	2	2	3	2	3	1	2
Prices are low	1	*	1	2	1	2	4	5	3	2	2	2	3
Credit is easy	3	4	10	6	5	3	5	3	2	3	9	17	17
UNFAVORABLE NEWS:													
Government; elections	5	3	4	5	6	7	5	4	4	4	4	4	3
Unemployment	20	28	32	35	40	46	41	45	44	52	53	52	48
Consumer demand low	6	10	11	11	14	12	11	8	9	8	6	5	5
Prices are high	3	7	4	5	4	5	4	4	4	3	3	4	1
Credit is tight	10	11	8	6	8	10	10	6	8	9	6	3	3
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

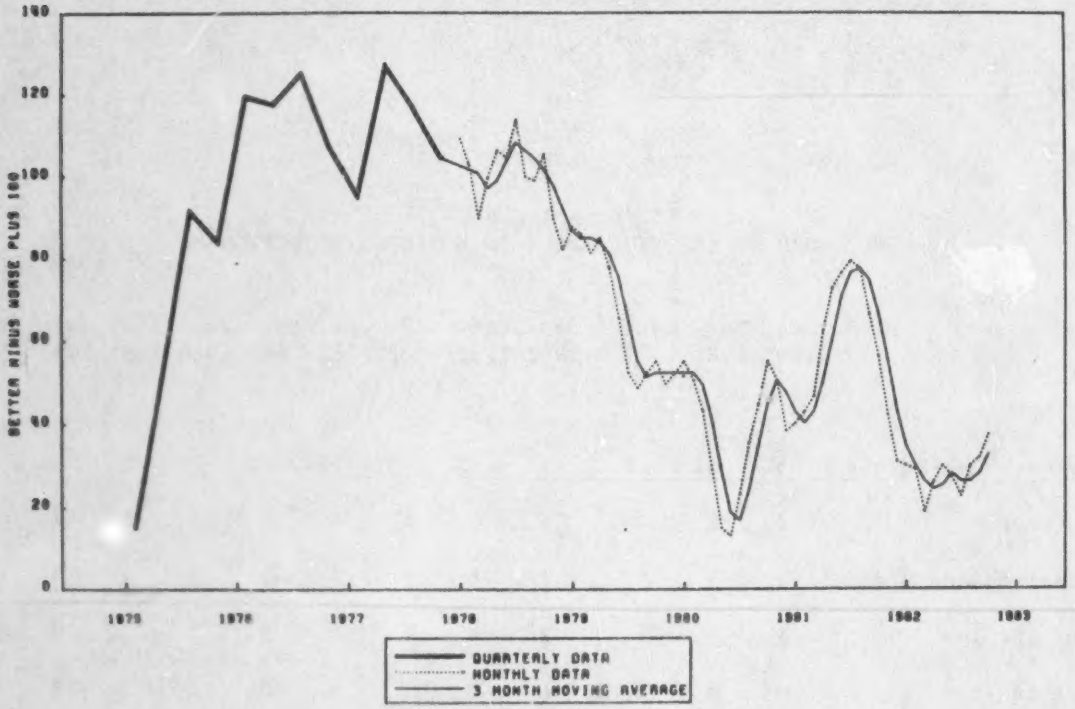


CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

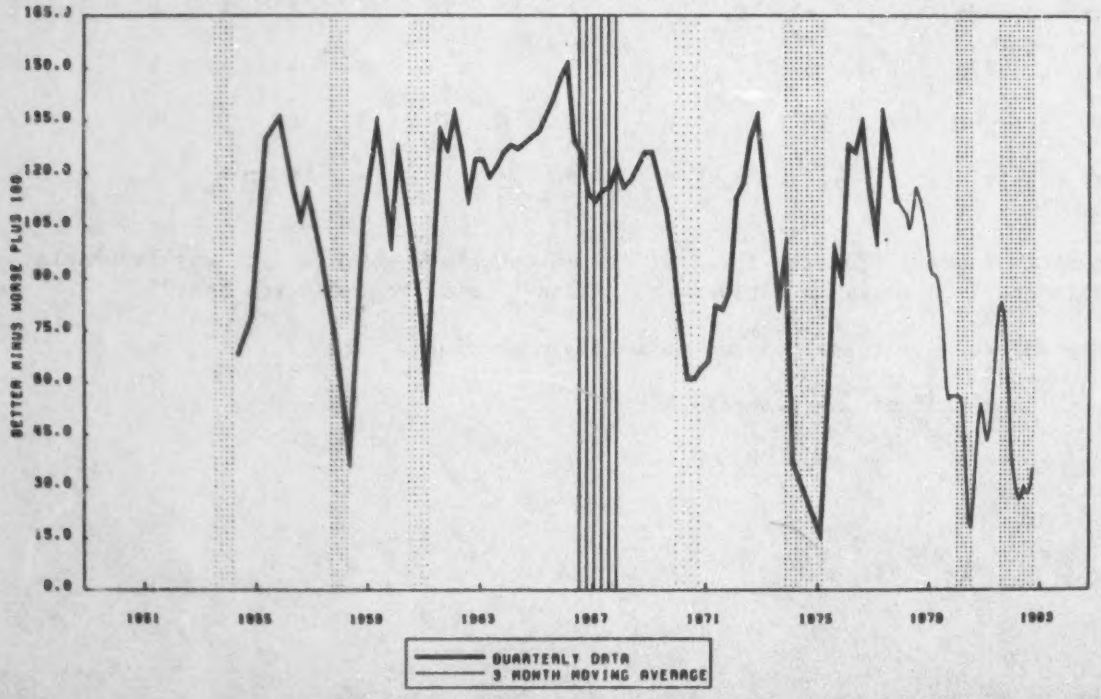


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
BETTER NOW	23%	15%	13%	11%	11%	7%	9%	12%	11%	7%	12%	13%	15%
SAME	12	12	6	8	8	5	9	6	6	8	6	8	9
WORSE NOW	63	70	80	79	80	87	81	80	82	83	80	79	75
DK,NA	2	3	1	2	1	1	1	2	1	2	2	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

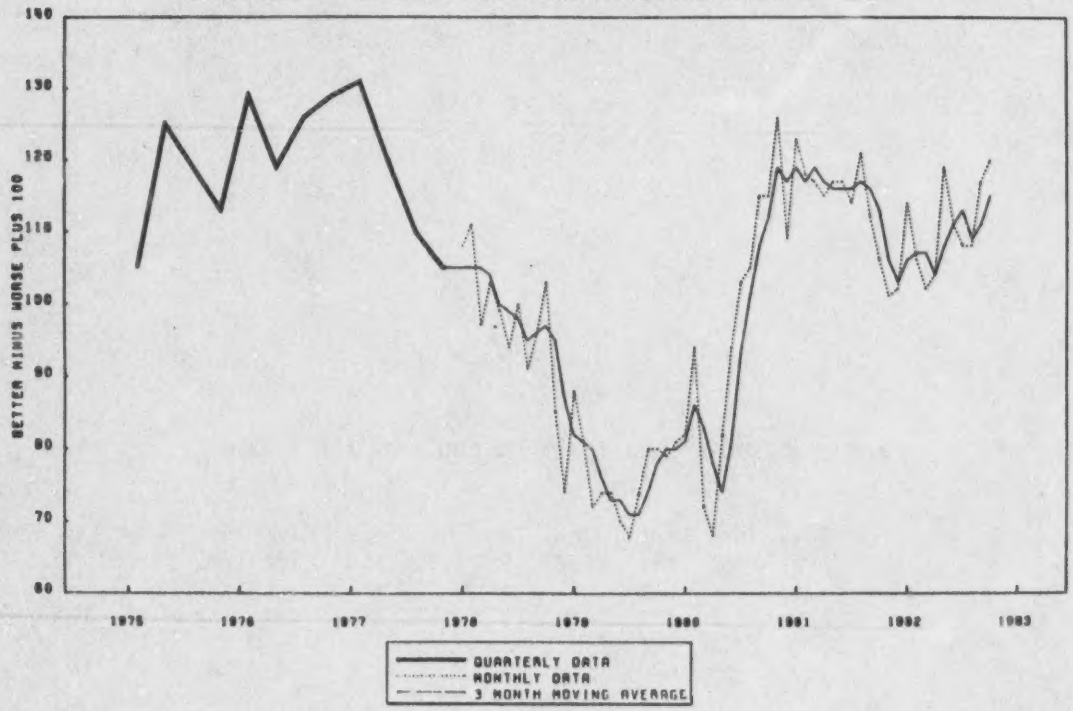


CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

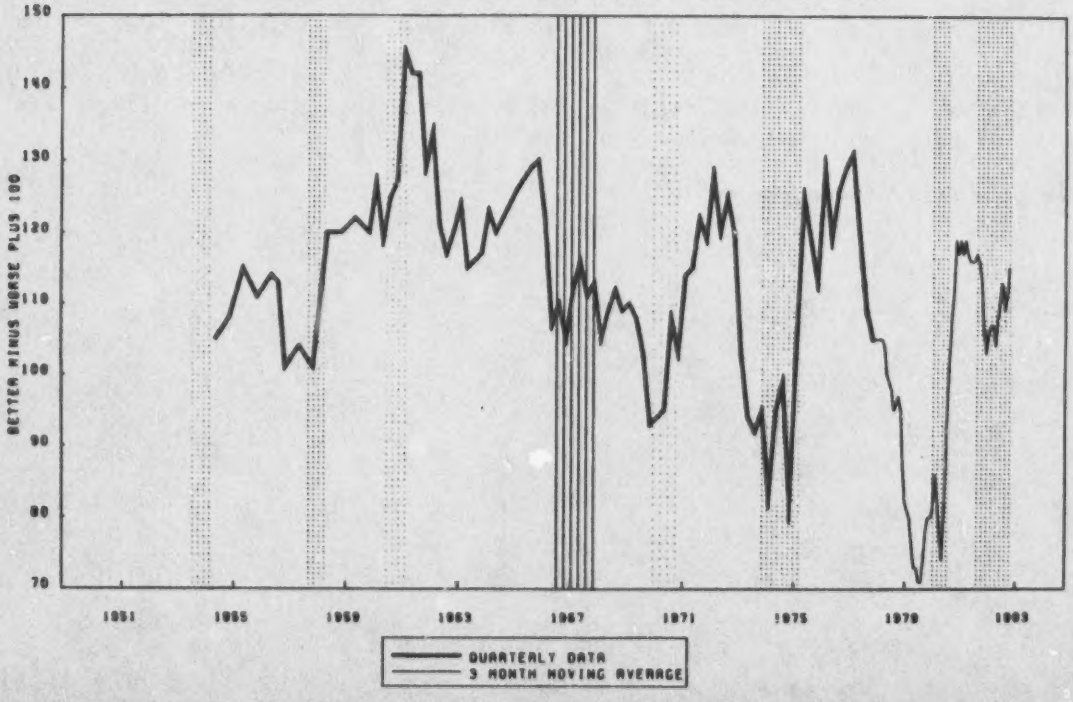


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
BETTER	31%	27%	31%	38%	34%	29%	32%	39%	37%	33%	31%	36%	40%
SAME	41	44	37	36	36	42	38	39	34	41	43	43	36
WORSE	25	26	29	24	28	27	28	20	26	25	23	19	20
DK,NA	3	3	3	2	2	2	2	2	3	1	3	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART16A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

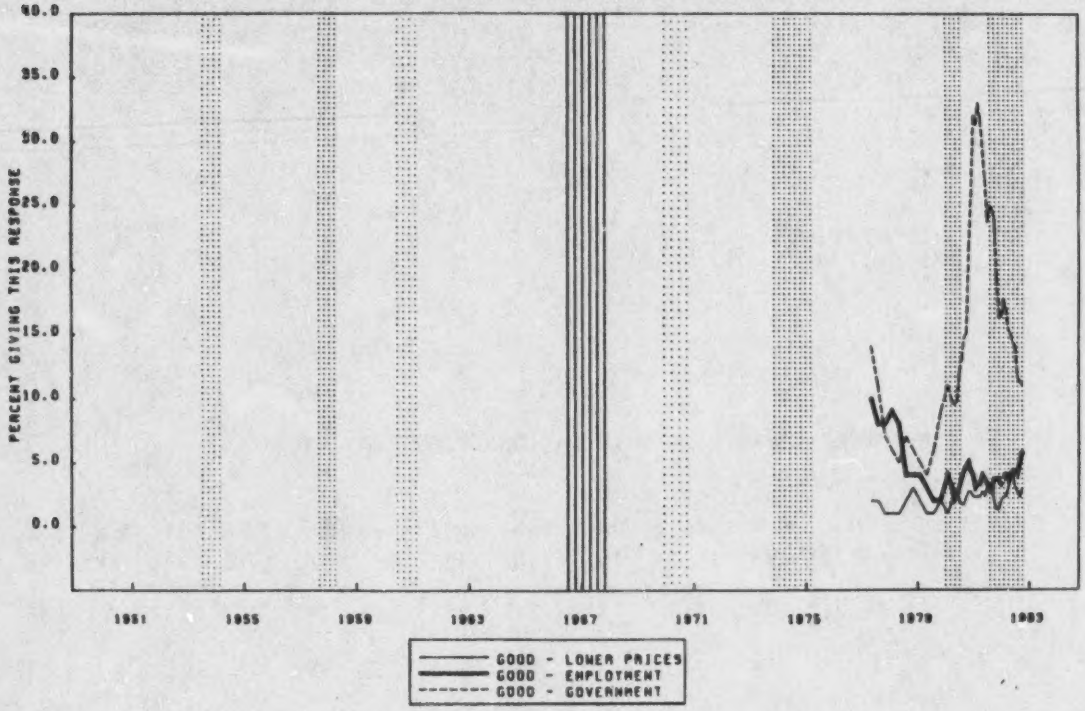


CHART16B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

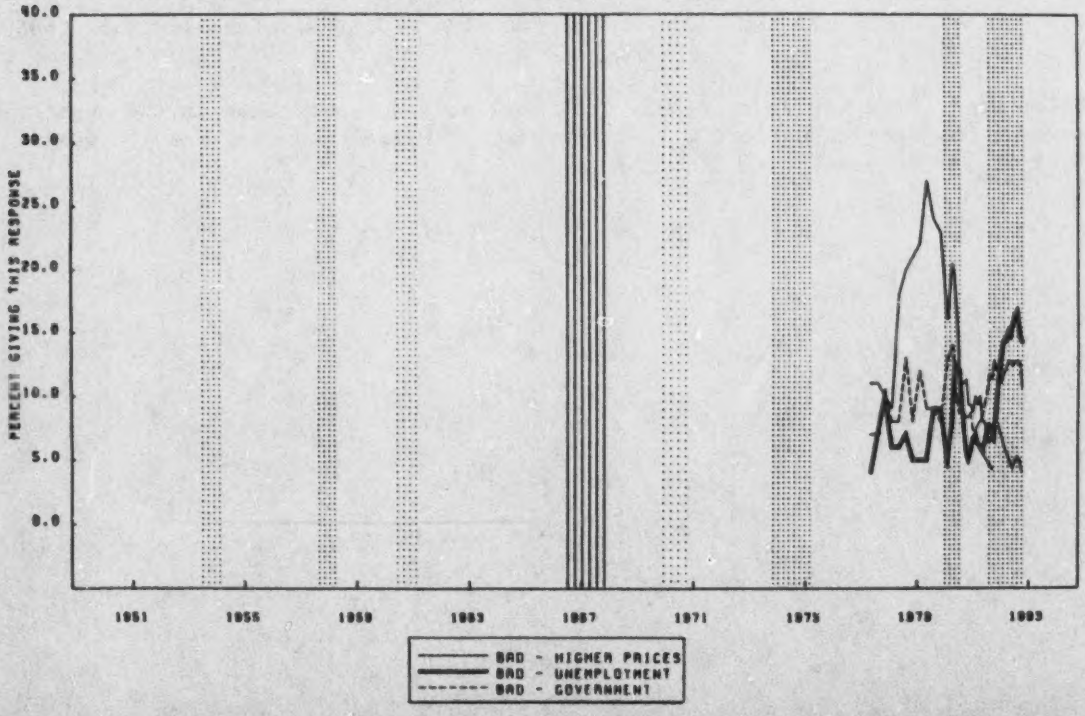


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
FAVORABLE REASONS:													
Government; elections	19%	15%	15%	19%	19%	13%	14%	18%	11%	13%	11%	11%	11%
Employment	6	3	2	5	4	3	4	5	4	4	4	7	6
Higher consumer demand	2	2	3	3	2	3	3	4	6	3	3	3	4
Lower prices	1	1	2	3	2	2	5	4	3	2	2	3	4
Easier credit	6	7	9	5	5	7	7	10	9	5	8	13	15
UNFAVORABLE REASONS:													
Government; elections	15	10	12	11	12	13	13	12	12	14	12	12	8
Unemployment	7	12	15	12	16	15	14	15	18	16	16	13	14
Lower consumer demand	4	6	7	6	7	9	7	4	6	5	3	5	3
Higher prices	7	8	8	5	6	6	4	4	5	6	5	4	3
Tighter credit	5	5	4	4	7	7	5	6	10	9	6	7	3
Energy crisis	1	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

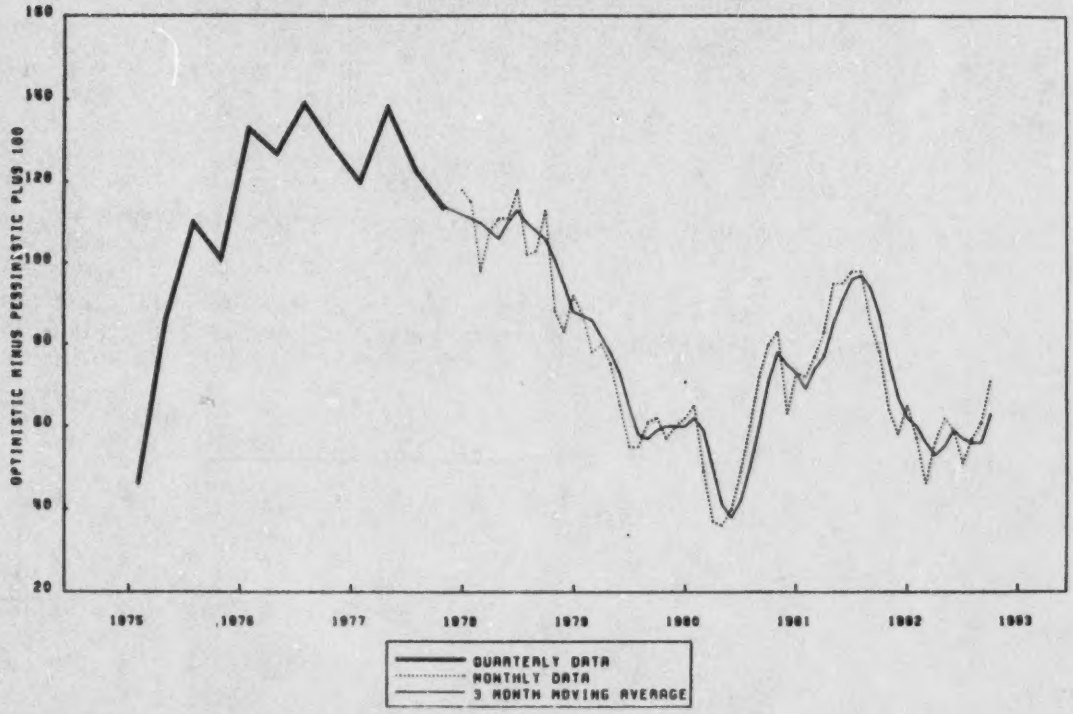


CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

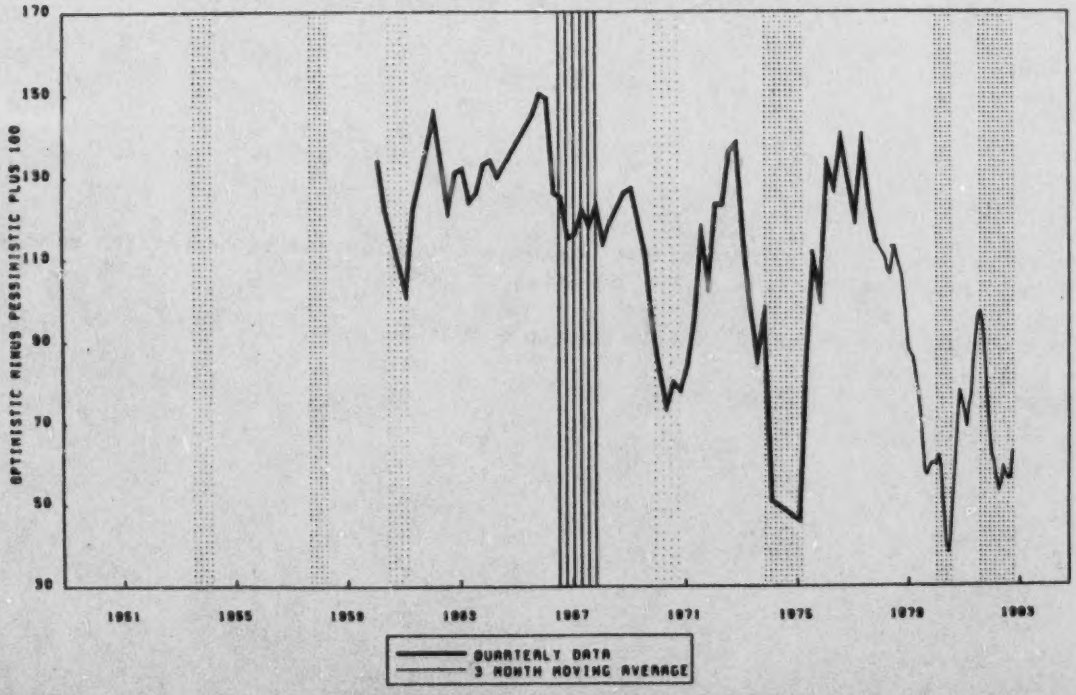


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
TREND:													
Continuous increase (a)	12%	6%	5%	6%	6%	4%	5%	8%	6%	5%	7%	8%	10%
Intermittent increase (b)	14	11	8	9	6	5	7	6	6	5	7	6	9
Remain unchanged (c)	4	6	3	3	4	2	4	3	2	3	3	4	3
Intermittent decline (d)	27	31	29	27	30	37	30	33	29	36	35	36	29
Continuous decline (e)	21	22	26	23	25	26	26	19	24	23	22	17	19
Mixed change (f)	17	18	25	29	26	23	24	28	30	25	22	27	26
DK,NA	5	6	4	3	3	3	4	3	3	3	4	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

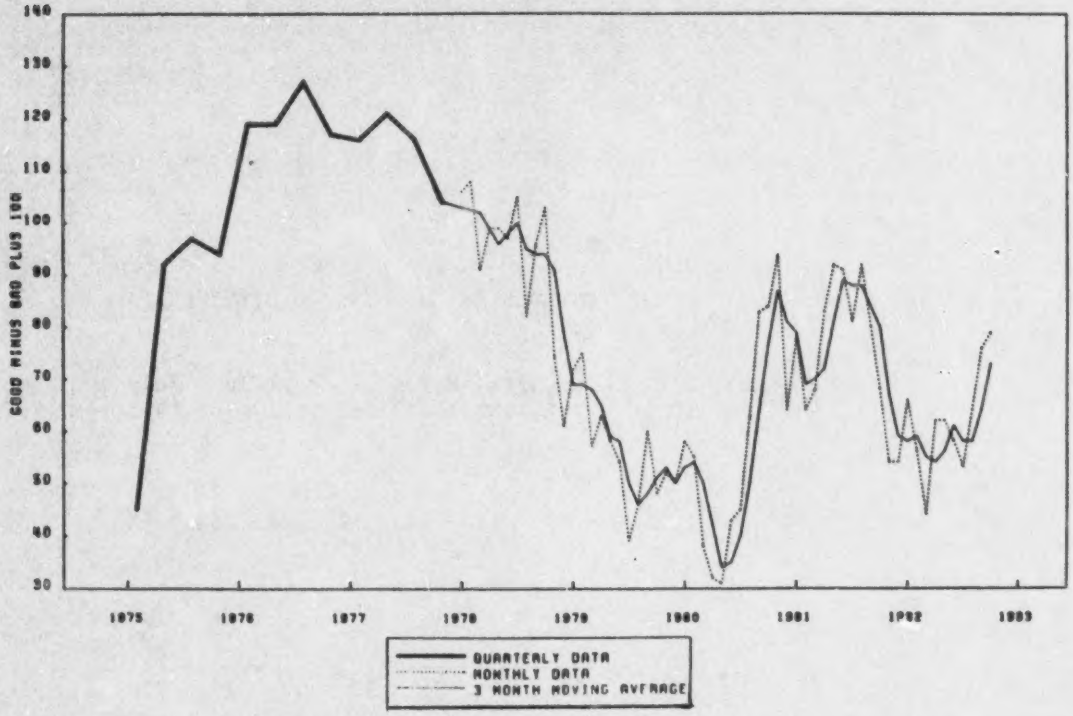


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

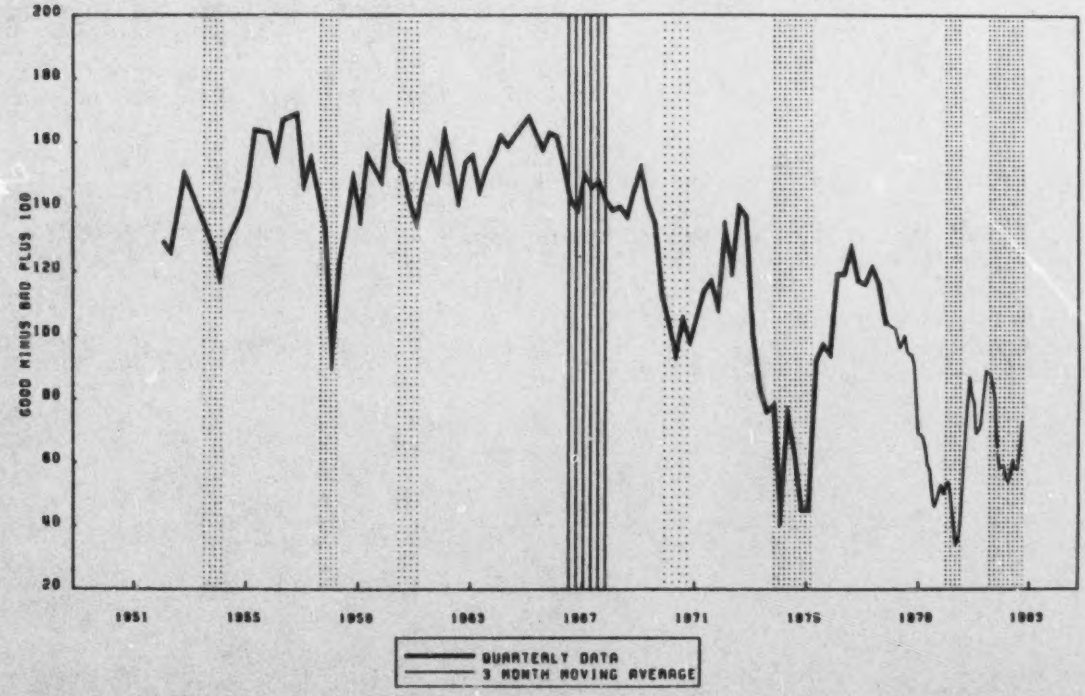


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
GOOD TIMES	25%	21%	23%	30%	23%	17%	28%	27%	25%	23%	26%	33%	35%
UNCERTAIN; GOOD & BAD	3	4	2	1	2	2	1	1	1	2	5	4	3
BAD TIMES	57	67	69	64	67	73	66	65	67	70	62	57	56
DON'T KNOW	8	6	4	3	4	3	4	4	4	3	3	4	4
NOT ASCERTAINED	7	2	2	2	4	5	1	3	3	2	4	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

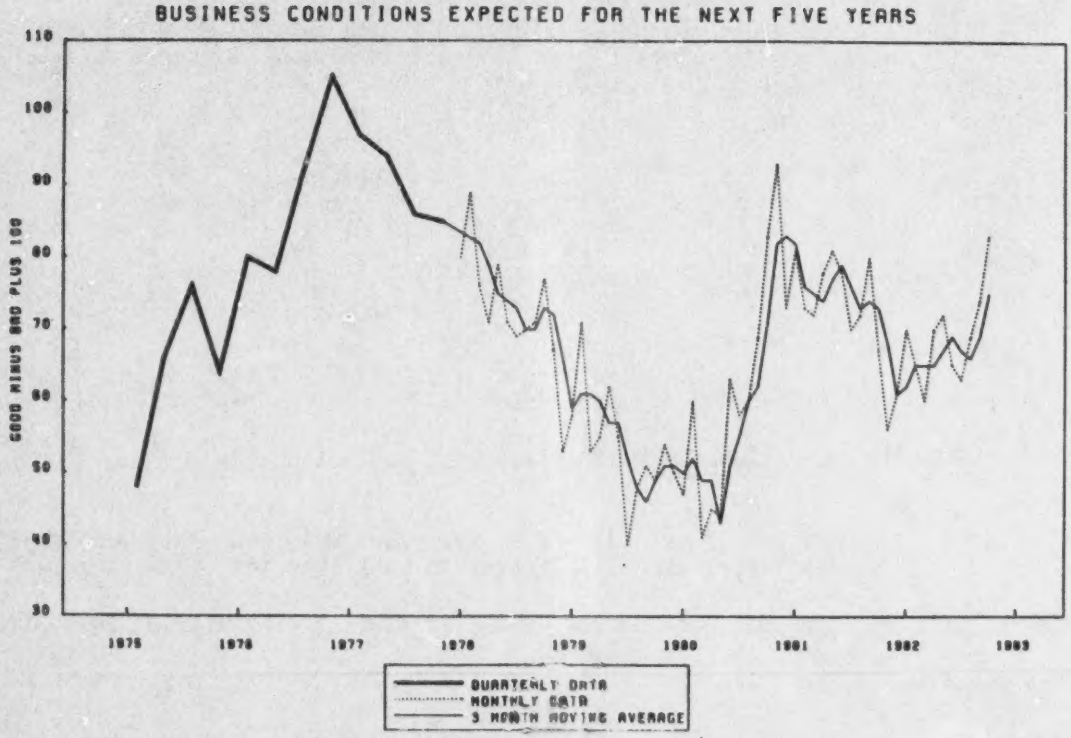


CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

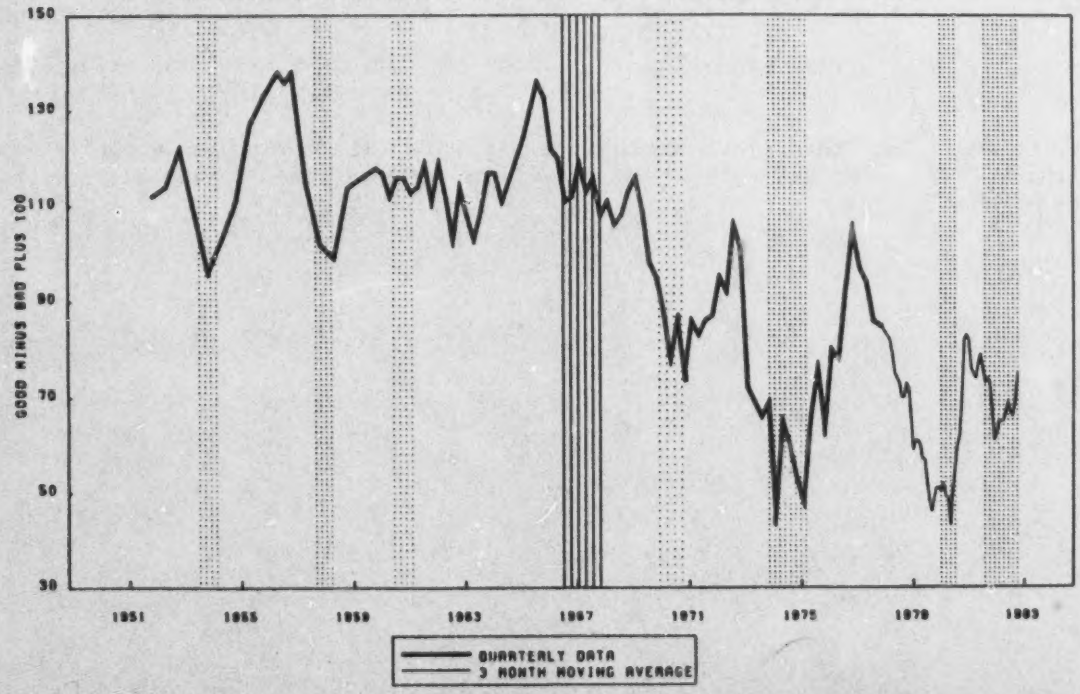


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
GOOD TIMES	24%	18%	20%	28%	24%	22%	25%	27%	24%	22%	23%	28%	32%
UNCERTAIN; GOOD & BAD	14	17	17	11	13	13	13	13	12	15	15	14	14
BAD TIMES	57	62	59	58	59	62	55	55	59	59	54	54	49
NOT ASCERTAINED	5	3	4	3	4	3	7	5	5	4	8	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

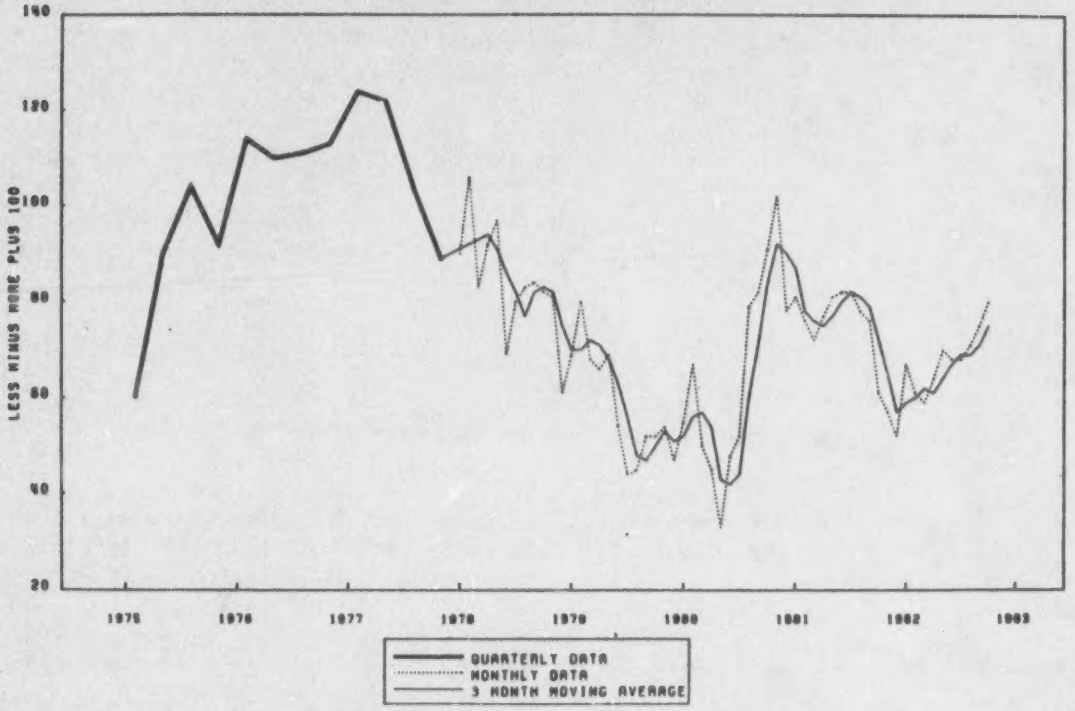


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

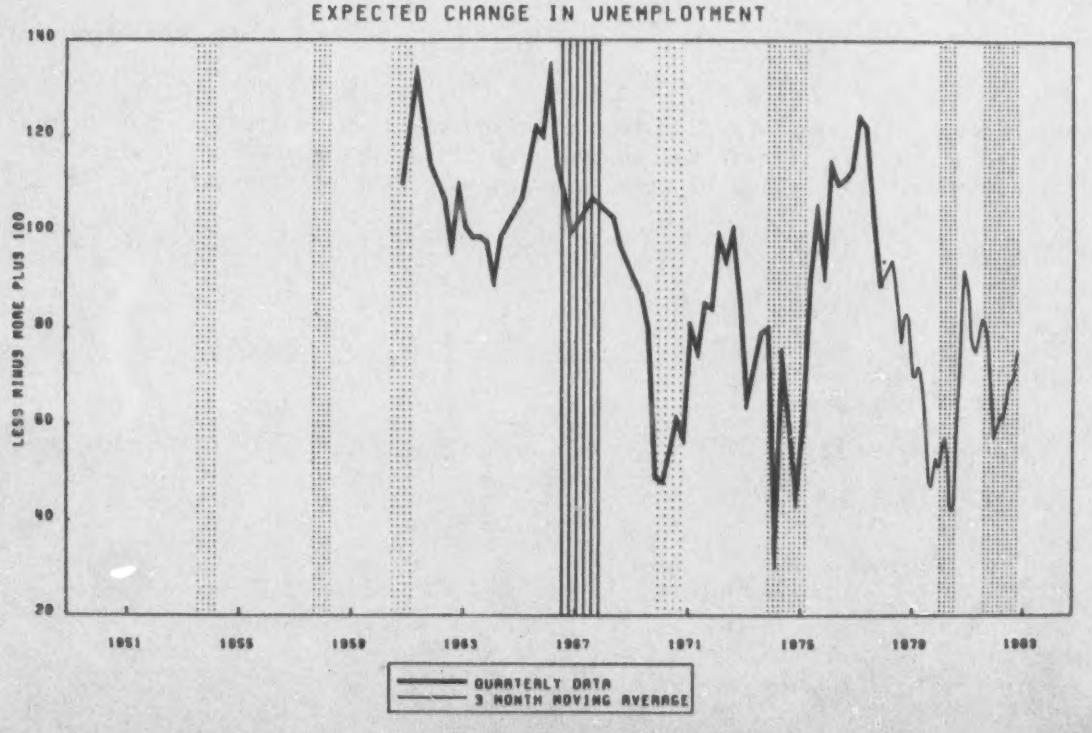


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
LESS	11%	11%	11%	16%	13%	13%	14%	17%	16%	16%	17%	18%	21%
SAME	38	33	28	34	33	32	34	35	35	35	35	38	36
MORE	50	54	59	49	52	54	50	47	48	48	46	43	41
DK,NA	1	2	2	1	2	1	2	1	1	1	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

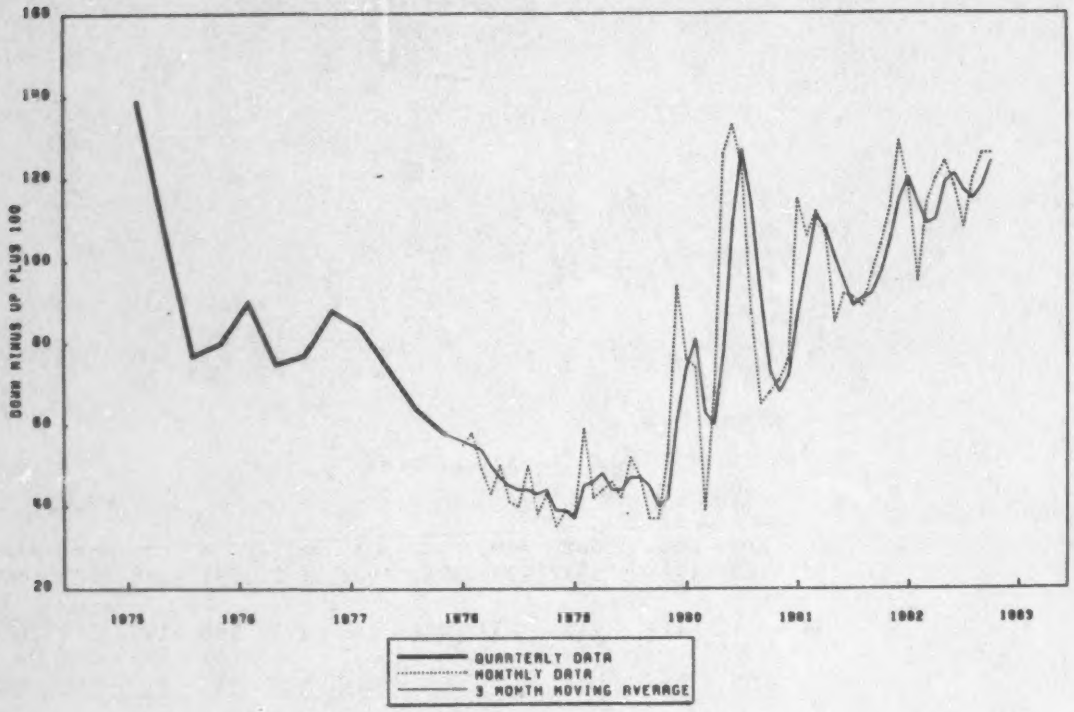


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

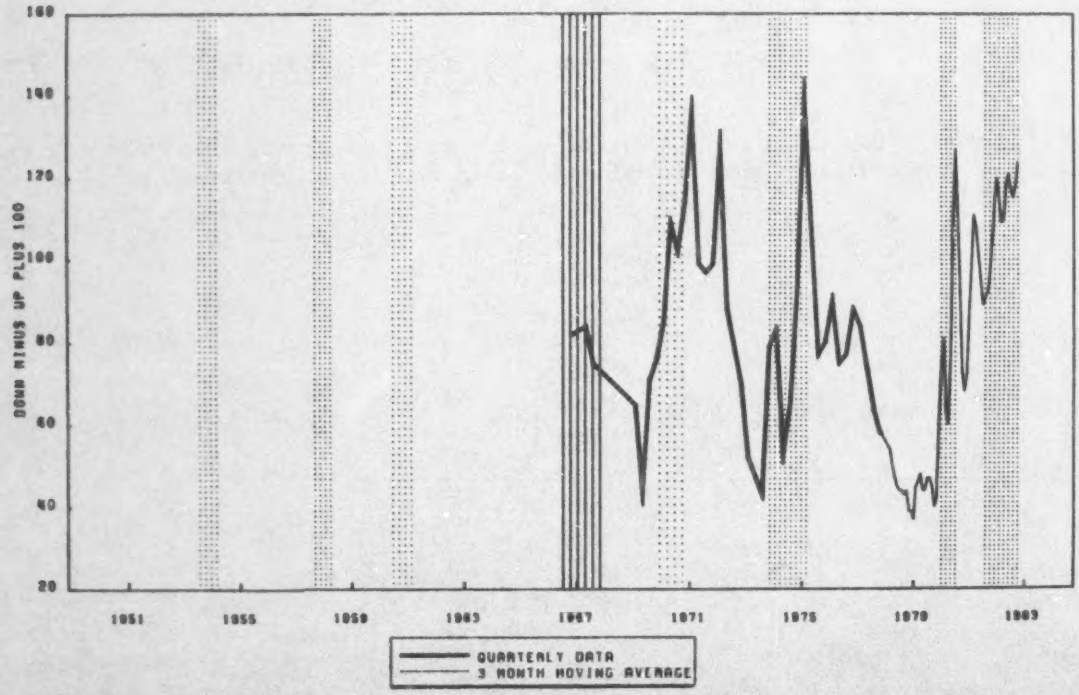


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
GO UP	31%	29%	21%	25%	34%	25%	22%	19%	21%	24%	21%	22%	22%
STAY THE SAME	30	25	25	28	33	33	33	34	37	41	34	26	26
GO DOWN	35	42	50	43	29	39	42	43	39	32	41	48	48
DK,NA	4	4	4	4	4	3	3	4	3	3	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

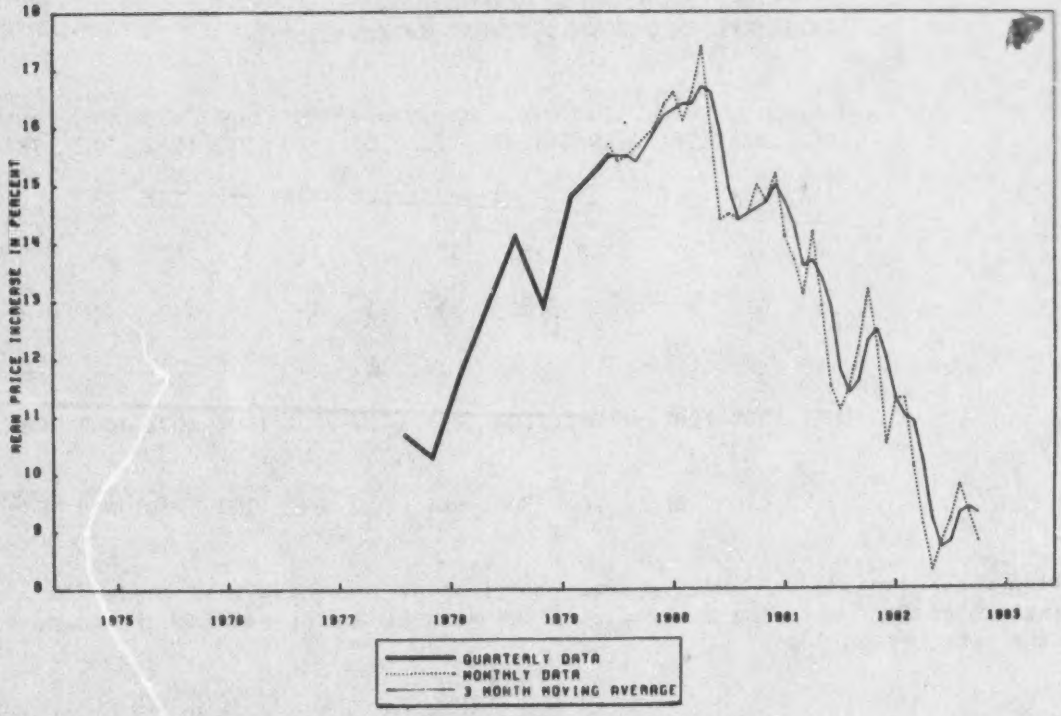


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
SAME OR DOWN	8%	7%	10%	11%	13%	15%	15%	23%	14%	12%	12%	16%	20%
GONE UP BY:													
1-2%	4	2	4	4	4	5	4	2	8	6	5	6	4
3-4%	6	7	7	5	6	7	7	11	10	8	8	10	7
5%	9	11	11	11	11	13	12	12	12	14	11	12	13
6-9%	12	14	15	17	14	12	14	13	14	13	16	14	12
10-14%	26	26	28	24	24	24	24	16	21	22	24	19	22
15% or more	27	24	19	22	22	19	17	17	16	18	17	16	14
DK how much up	8	8	6	6	6	5	7	6	5	6	6	7	7
DK,NA	*	1	*	*	*	*	*	*	*	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	13.2	12.2	10.5	11.3	11.3	10.1	9.1	8.3	8.8	9.2	9.8	9.3	8.8
VARIANCE	156	134	104	126	132	114	83	96	93	87	96	115	106
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

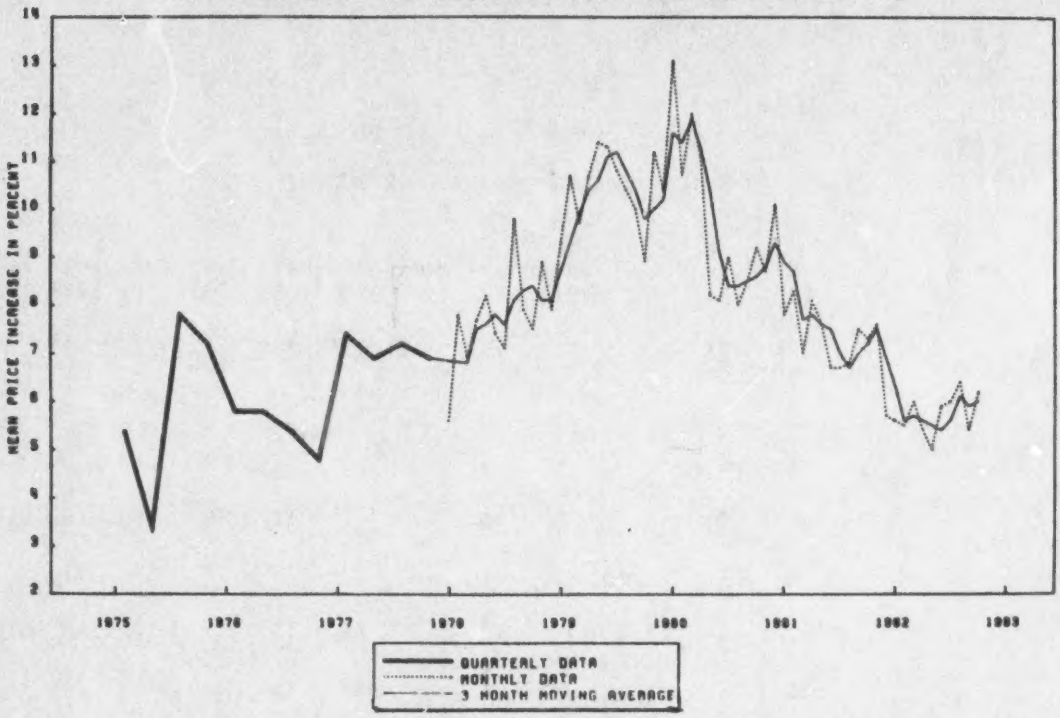


CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

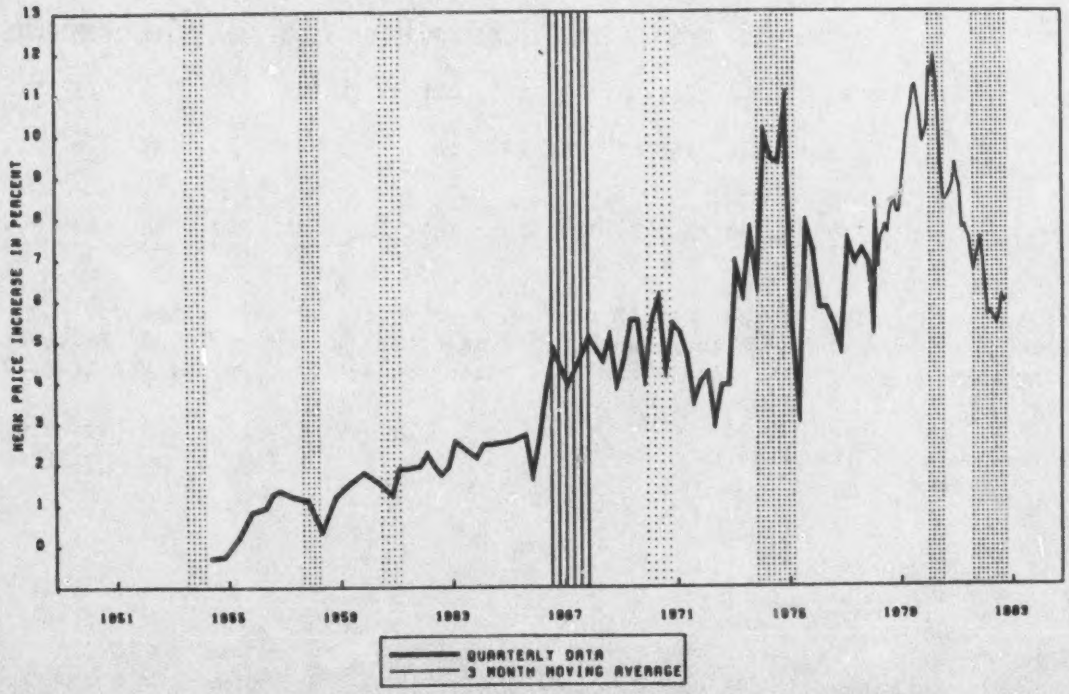


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
SAME OR DOWN	27%	27%	35%	36%	38%	32%	33%	36%	30%	23%	23%	31%	31%
WILL GO UP BY:													
1-2%	5	4	4	5	4	7	4	6	7	7	8	7	5
3-4%	7	6	8	8	7	11	7	9	10	10	12	9	8
5%	12	11	12	13	12	11	16	15	14	17	16	14	14
6-9%	14	11	14	11	12	12	10	11	10	15	12	13	11
10-14%	17	22	14	13	14	12	16	8	16	14	13	12	15
15% or more	12	11	8	8	7	11	8	8	8	7	11	7	9
DK how much up	5	6	3	4	5	2	3	4	3	5	3	5	5
DK,NA	1	2	2	2	1	2	3	3	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	7.3	7.6	5.7	5.6	5.5	6.0	5.4	5.0	5.9	6.0	6.4	5.4	6.2
VARIANCE	71	84	62	59	59	85	54	58	71	53	65	59	82
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

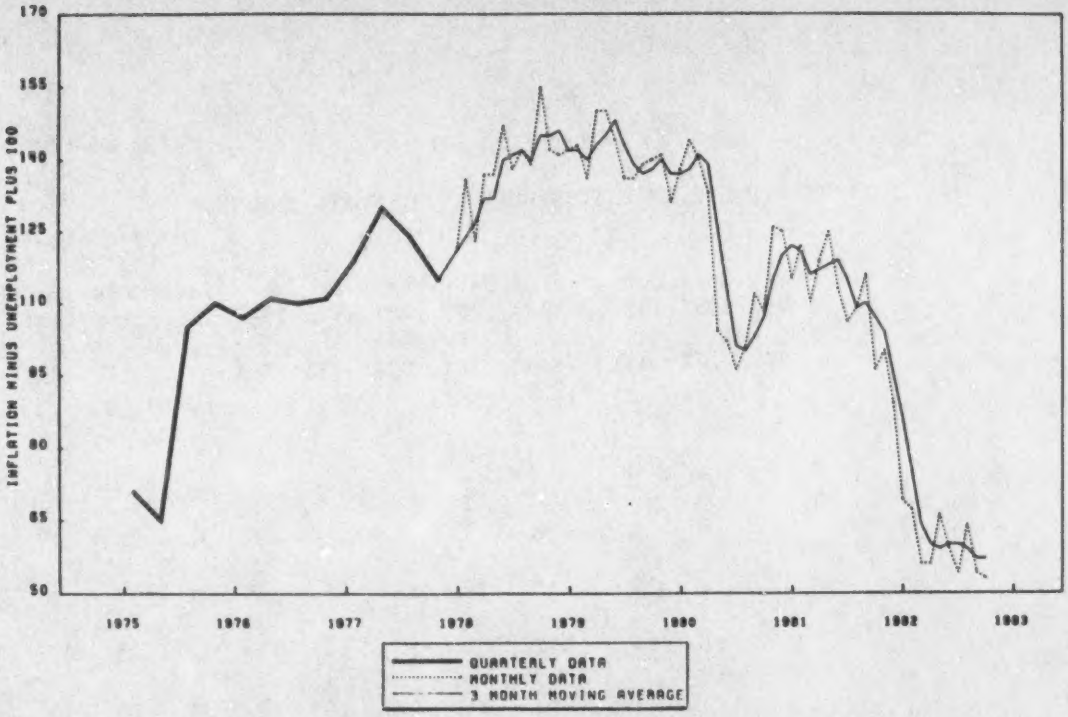


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

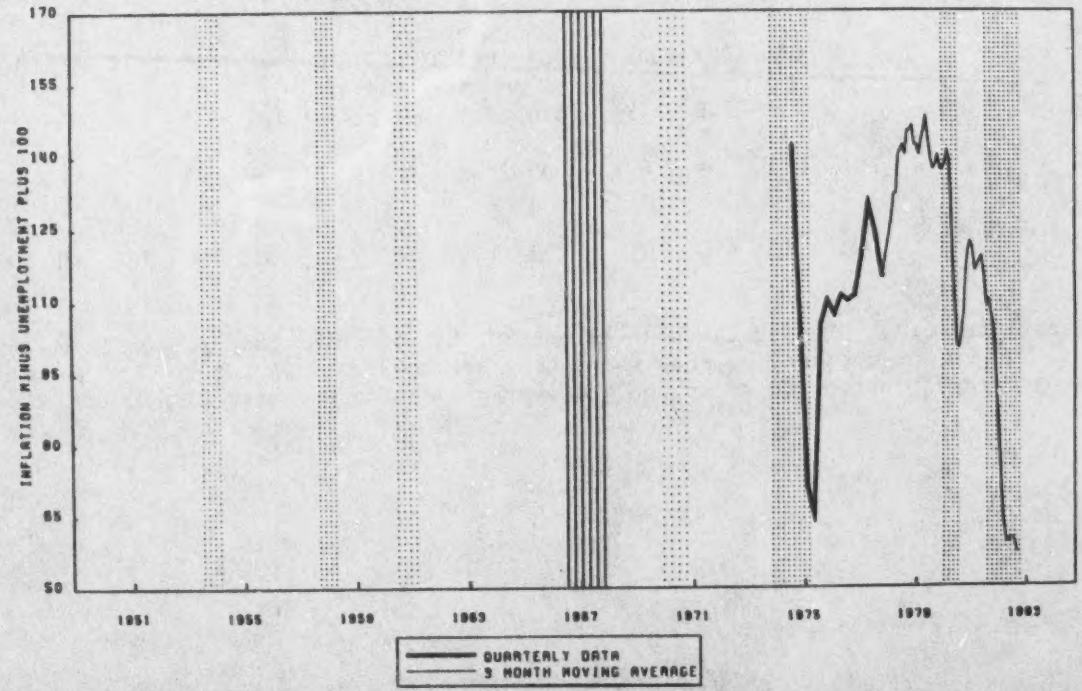


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
UNEMPLOYMENT	45%	43%	49%	60%	59%	66%	65%	62%	64%	67%	62%	68%	67%
BOTH EQUALLY SERIOUS	12	13	11	10	14	11	13	9	12	11	11	9	11
INFLATION	41	43	38	29	26	22	21	28	23	21	26	22	20
DK,NA	2	1	2	1	1	1	1	1	1	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

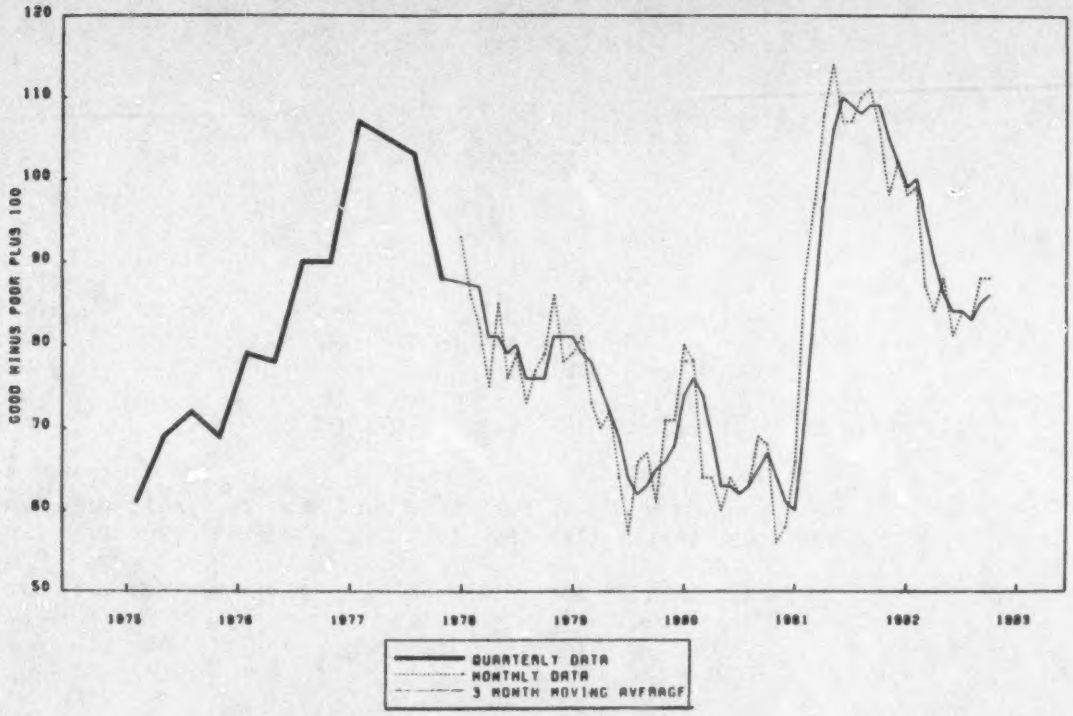


CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

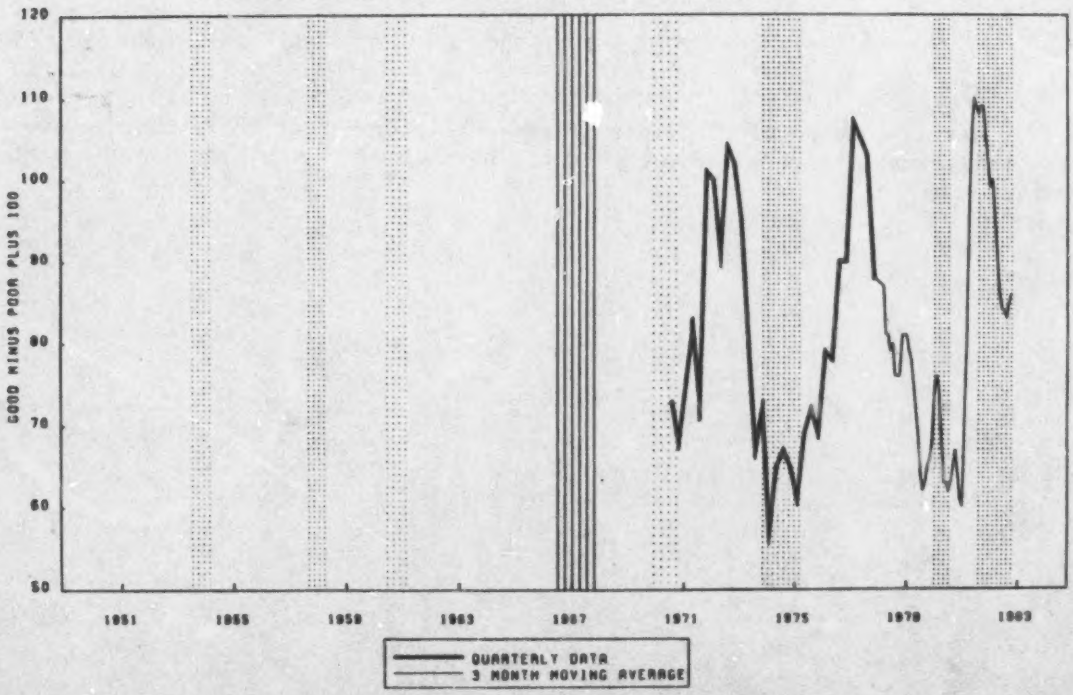


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
A GOOD JOB	31%	23%	26%	25%	27%	18%	22%	20%	16%	18%	17%	19%	21%
ONLY FAIR	41	49	47	46	42	48	37	46	46	46	45	46	41
A POOR JOB	25	25	24	27	28	31	38	32	35	34	34	31	33
DK,NA	3	3	3	2	3	3	3	2	3	2	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

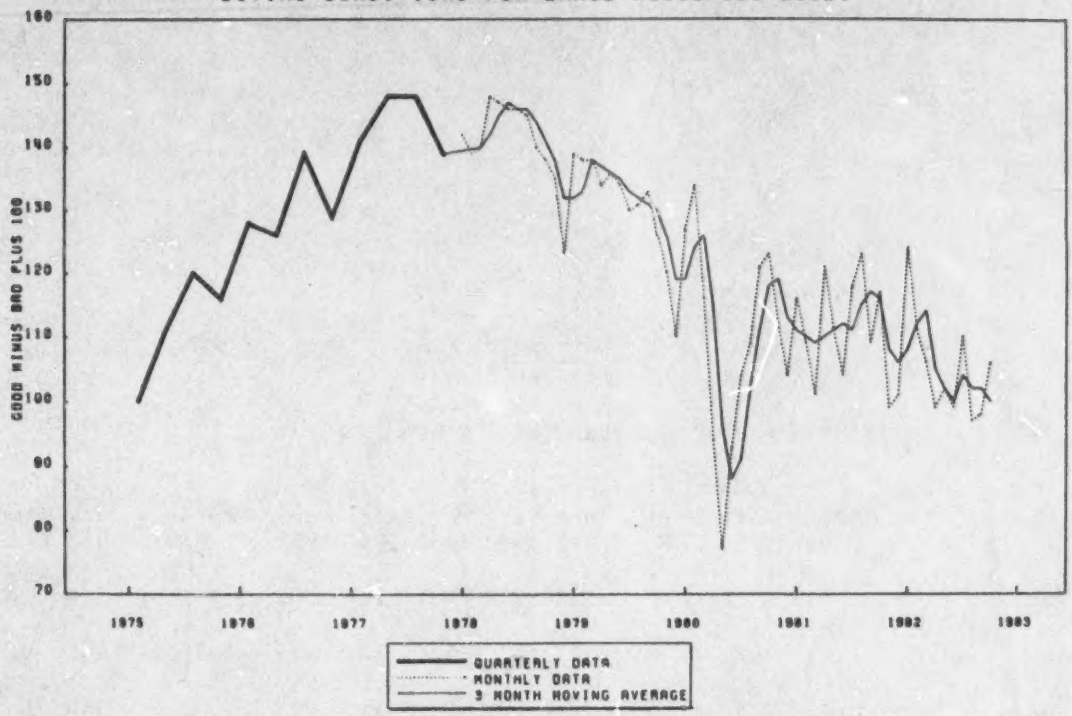


CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

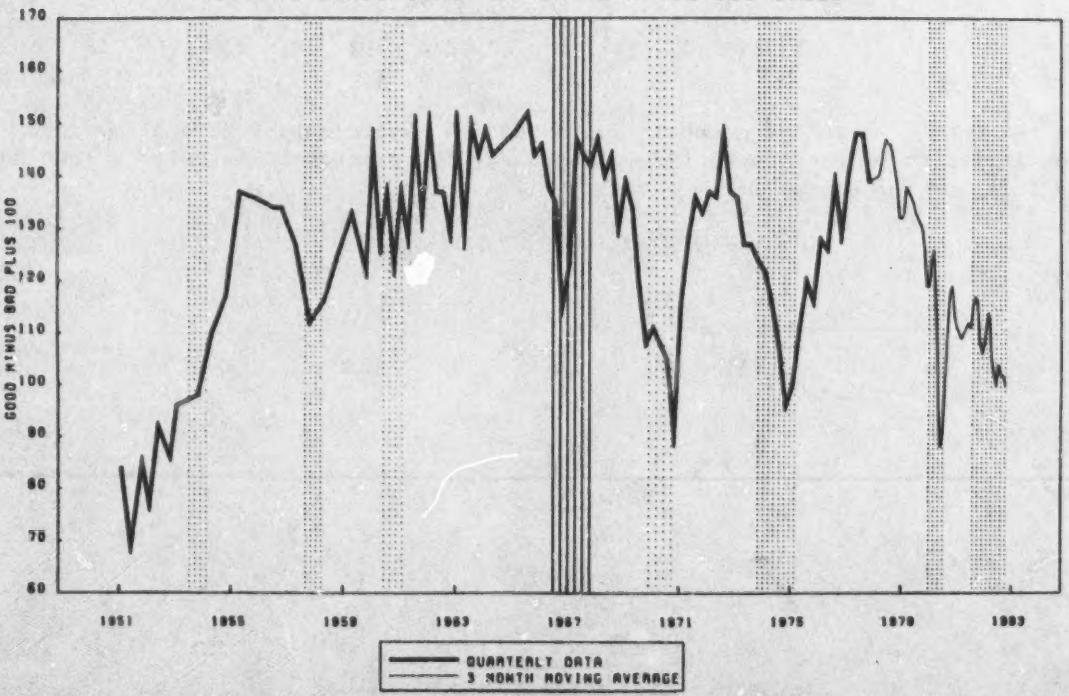


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
GOOD TIME TO BUY	52%	43%	44%	57%	48%	48%	41%	45%	43%	48%	41%	42%	46%
UNCERTAIN, DEPENDS	13	13	13	10	15	10	17	12	13	14	15	14	14
BAD TIME TO BUY	35	44	43	33	37	42	42	43	44	38	44	44	40
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

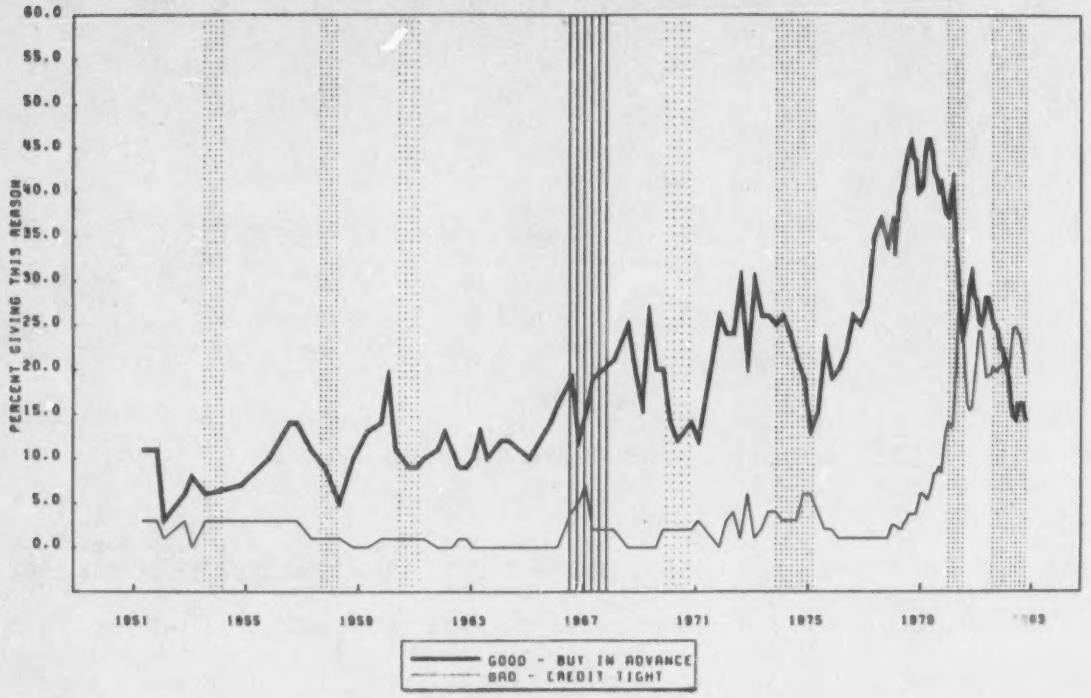


CHART 27B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

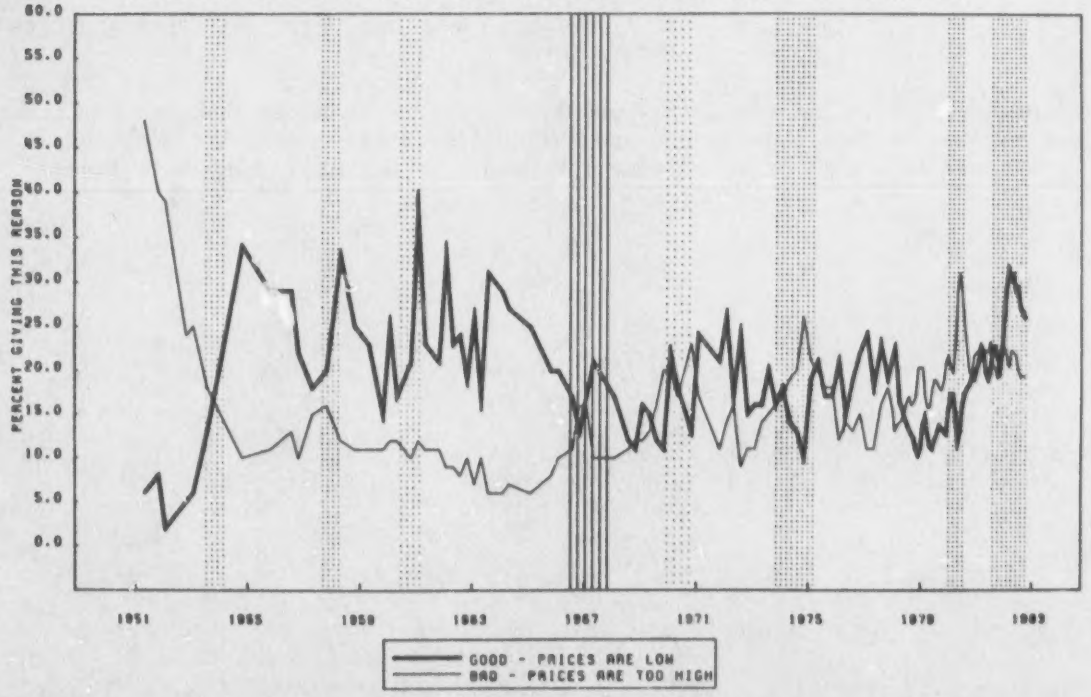


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	19%	26%	32%	30%	32%	29%	31%	27%	30%	24%	26%	28%
Prices won't come down; are going higher	25	20	21	22	18	15	14	15	14	19	15	14	14
Interest rates low; credit is easy	1	2	2	3	2	1	1	3	2	2	2	4	5
BAD TIME TO BUY:													
Prices are high	19	25	26	17	22	22	23	21	21	18	19	21	18
Interest rates are high; credit is tight	17	23	21	18	19	24	26	24	24	24	22	20	16
Lack of purchasing power	11	12	15	13	15	18	19	20	21	19	21	21	21

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

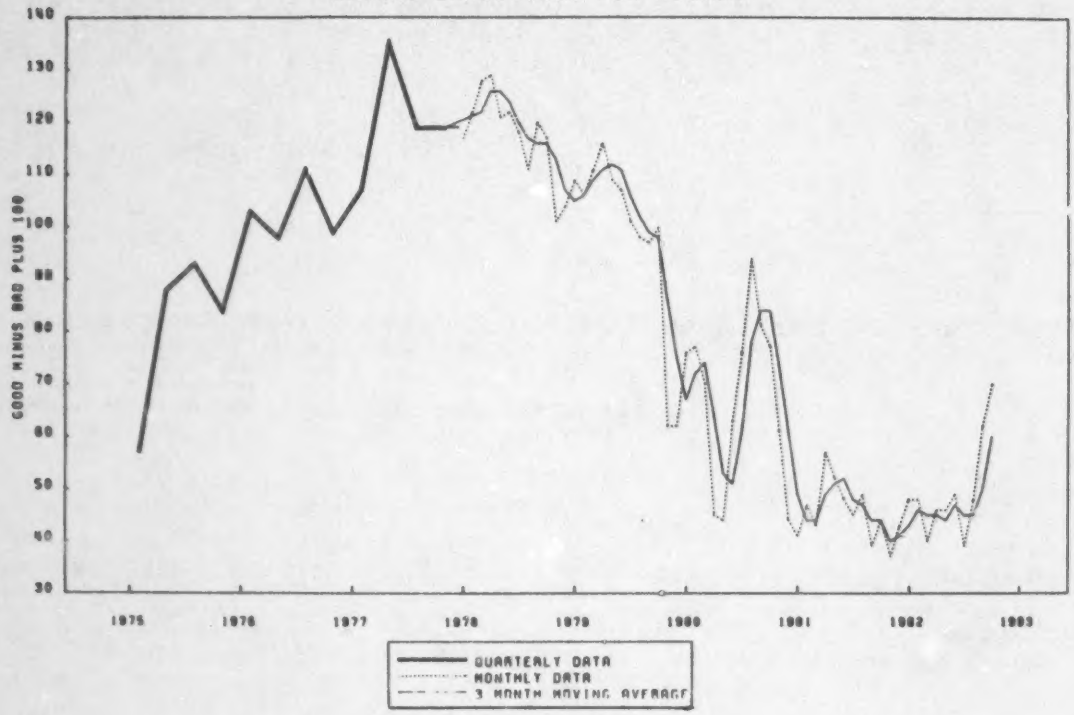


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

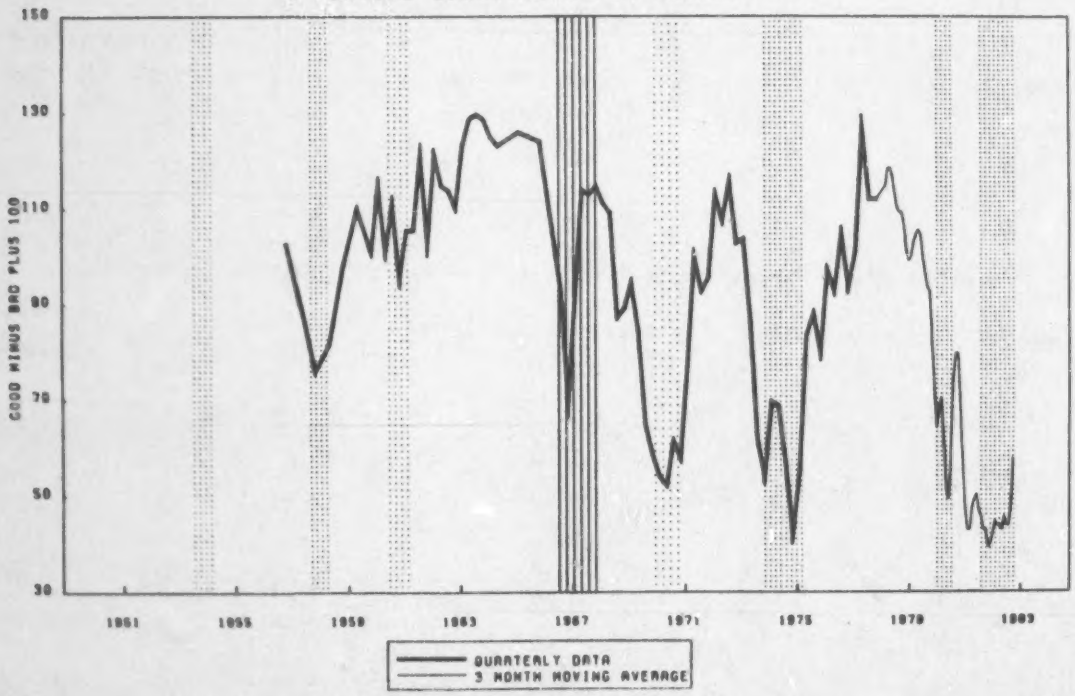


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
GOOD TIME TO BUY	18%	16%	19%	21%	21%	17%	20%	19%	21%	15%	20%	28%	32%
UNCERTAIN, DEPENDS	8	5	5	6	6	6	6	8	7	9	8	6	6
BAD TIME TO BUY	74	79	76	73	73	77	74	73	72	76	72	66	62
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

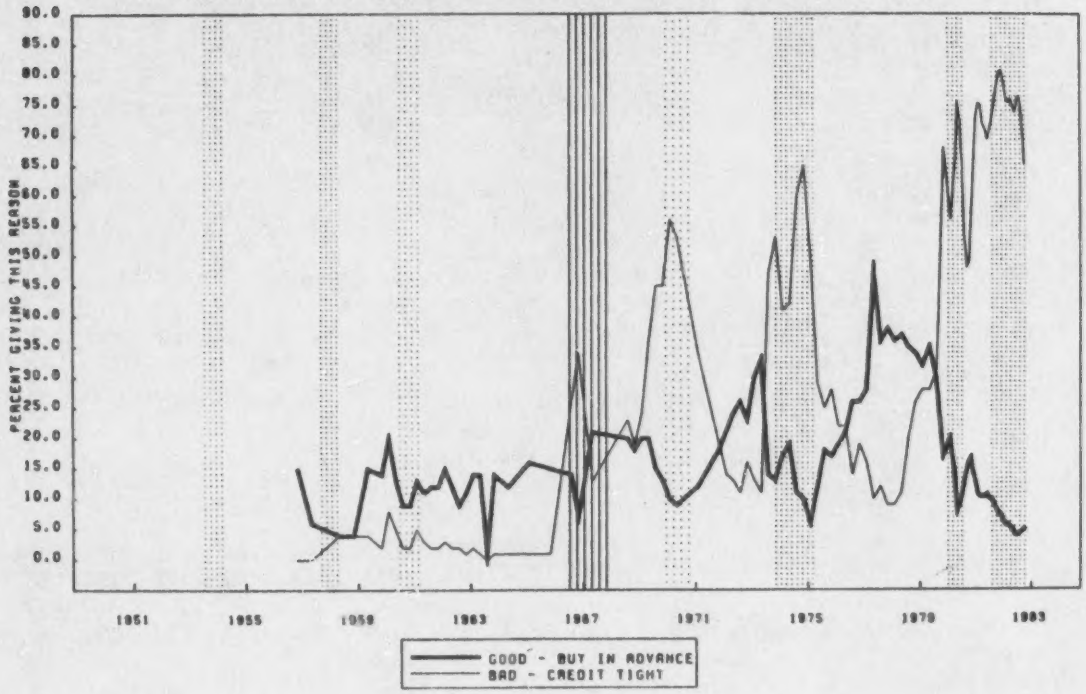


CHART 29B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

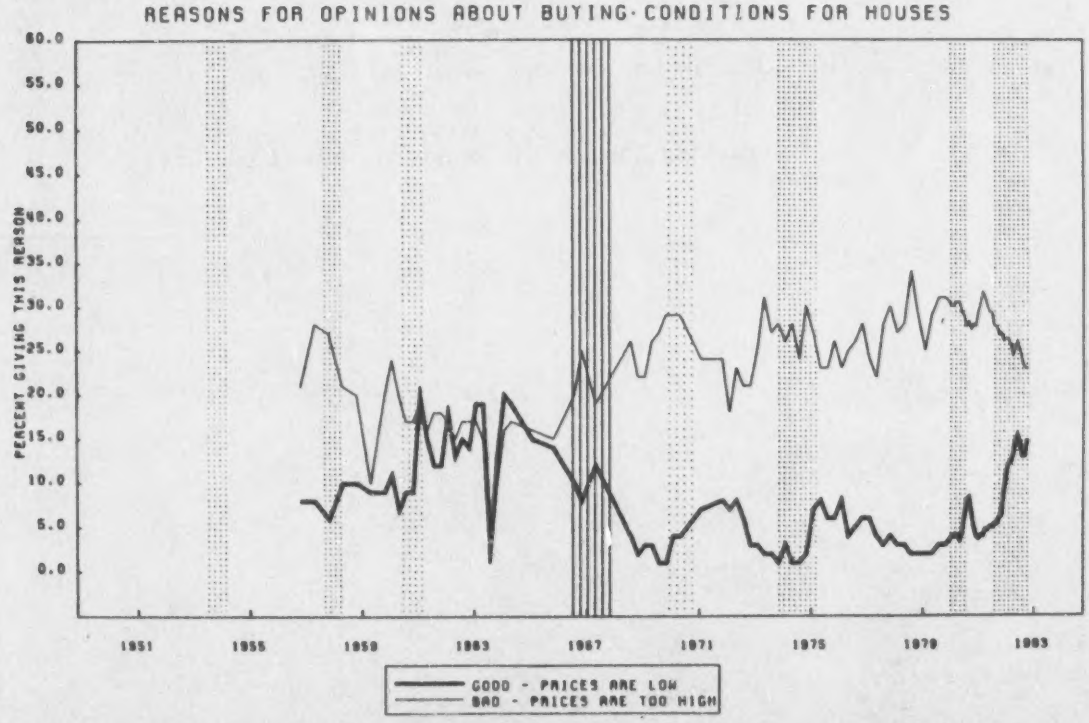


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
GOOD TIME TO BUY:													
Prices are low; good buys available	7%	7%	12%	13%	11%	13%	15%	16%	15%	12%	12%	15%	17%
Prices won't come down; are going higher	9	7	7	5	5	7	4	4	4	4	5	5	5
Interest rates low; credit is easy	4	4	6	8	7	4	6	6	7	4	7	20	23
Good investment	3	5	3	5	6	4	5	5	4	3	4	3	2
BAD TIME TO BUY:													
Prices are high	27	24	27	28	24	25	24	27	27	21	23	25	21
Interest rates are high; credit is tight	78	83	81	72	76	78	74	72	75	82	71	64	60
Lack of purchasing power	11	17	21	22	19	23	22	18	23	27	20	21	23

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

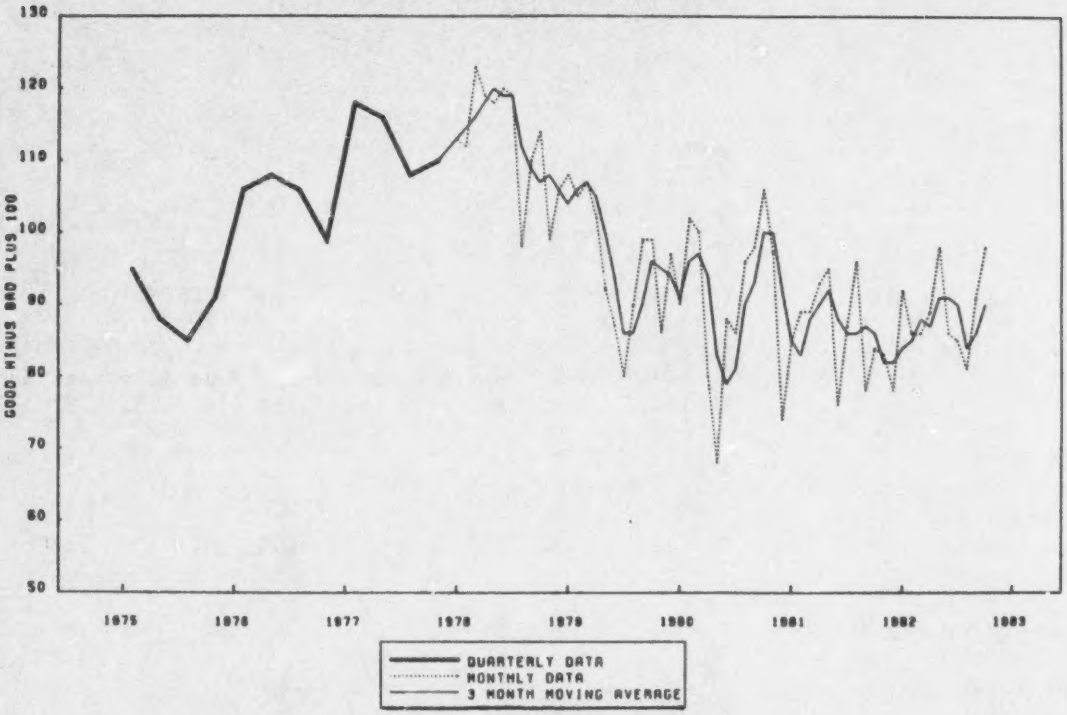


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

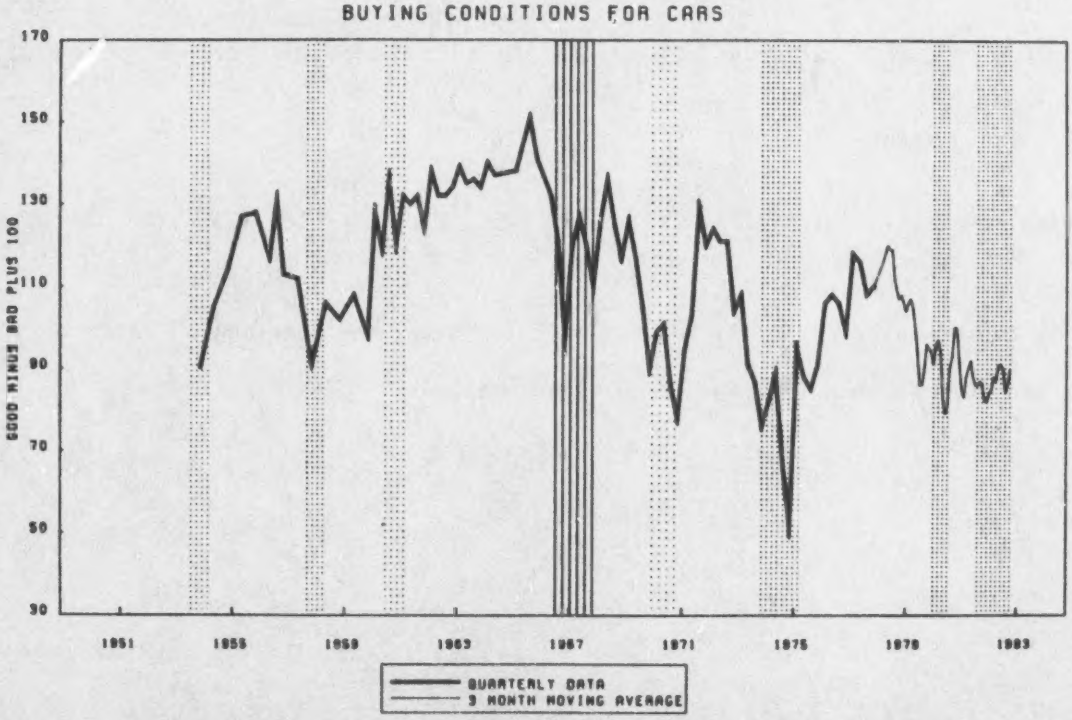


TABLE 30

BUYING CONDITIONS FOR CARS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
GOOD TIME TO BUY	37%	37%	34%	41%	37%	39%	40%	44%	40%	37%	35%	40%	44%
UNCERTAIN; DEPENDS	10	9	10	10	12	8	9	10	6	11	11	11	10
BAD TIME TO BUY	53	54	56	49	51	53	51	46	54	52	54	49	46
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

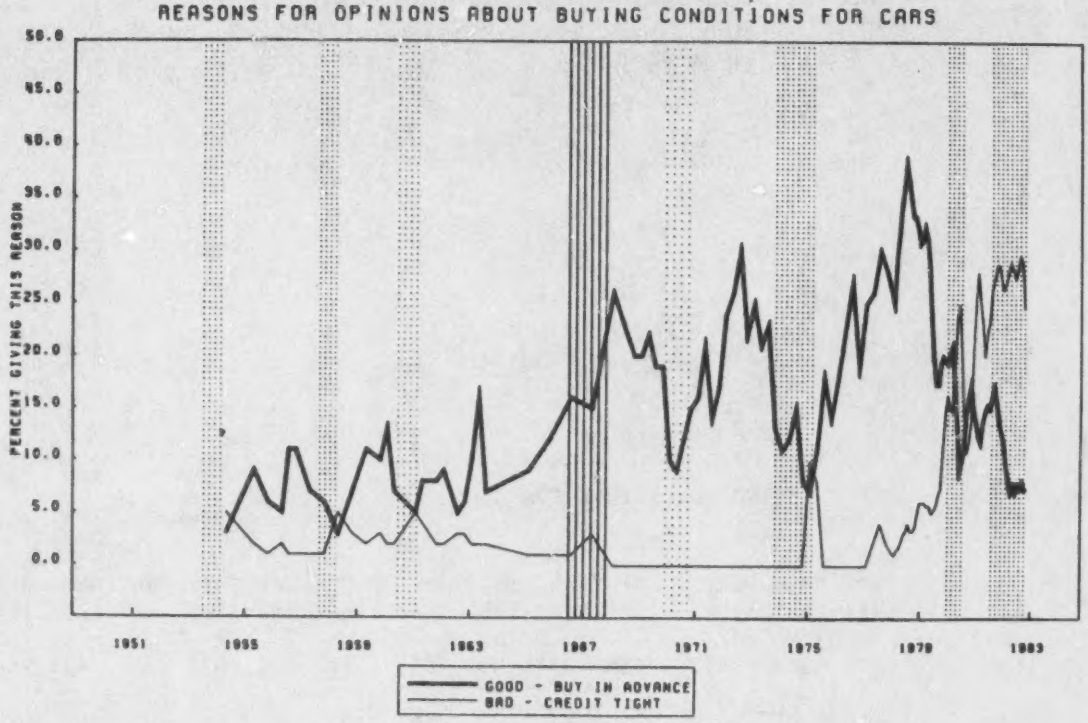


CHART 31B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

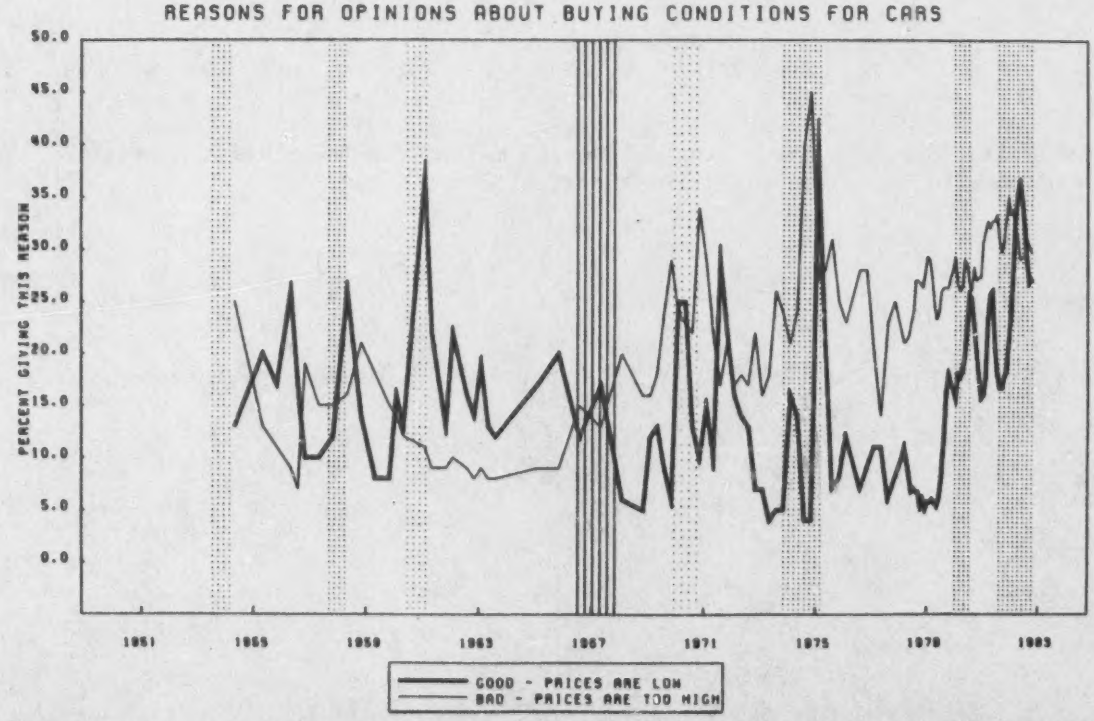


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	21%	22%	29%	33%	37%	36%	36%	32%	28%	26%	26%	29%
Prices won't come down; are going higher	14	12	12	11	6	8	7	8	6	9	7	8	7
Interest rates low; credit is easy	4	5	5	6	3	3	7	11	7	5	6	10	11
New fuel efficient models	2	1	1	2	2	1	2	1	1	1	2	1	1
BAD TIME TO BUY:													
Prices are high	36	32	37	31	33	32	28	27	33	28	32	31	26
Interest rates are high; credit is tight	29	26	27	26	28	30	29	26	27	32	30	25	19
Lack of purchasing power	7	8	13	13	12	16	13	11	11	13	12	14	14
Price of gas; shortages	1	2	2	2	2	1	1	1	2	2	1	1	*
Poor selection; quality	8	10	9	8	9	7	8	6	10	10	7	7	7

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

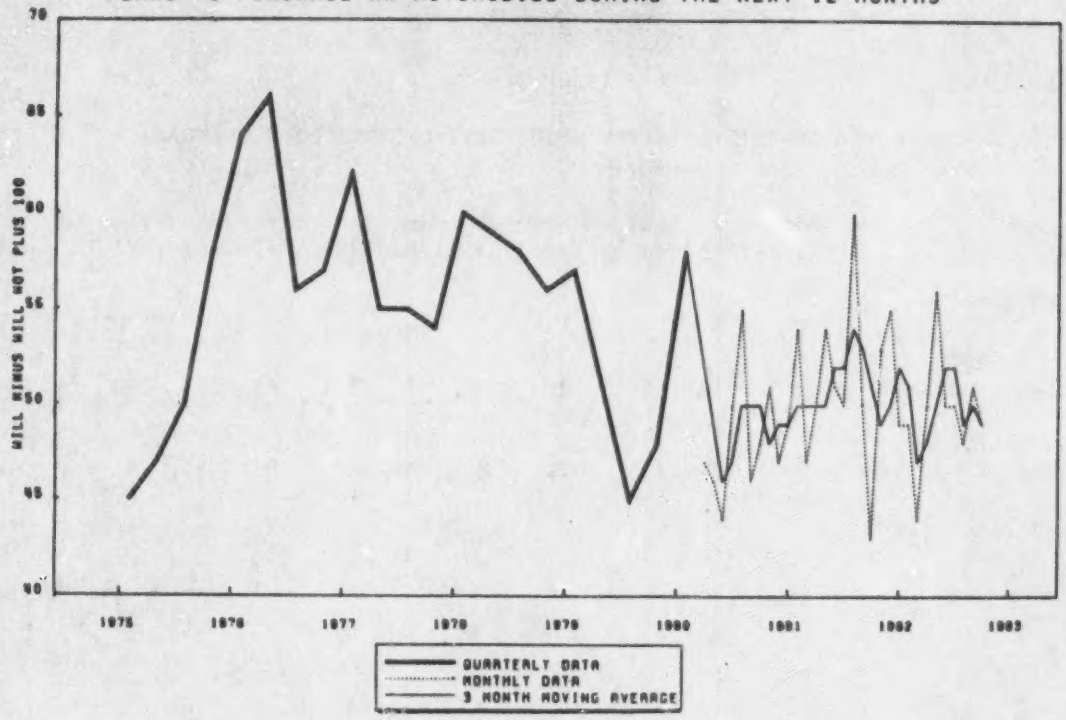


CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

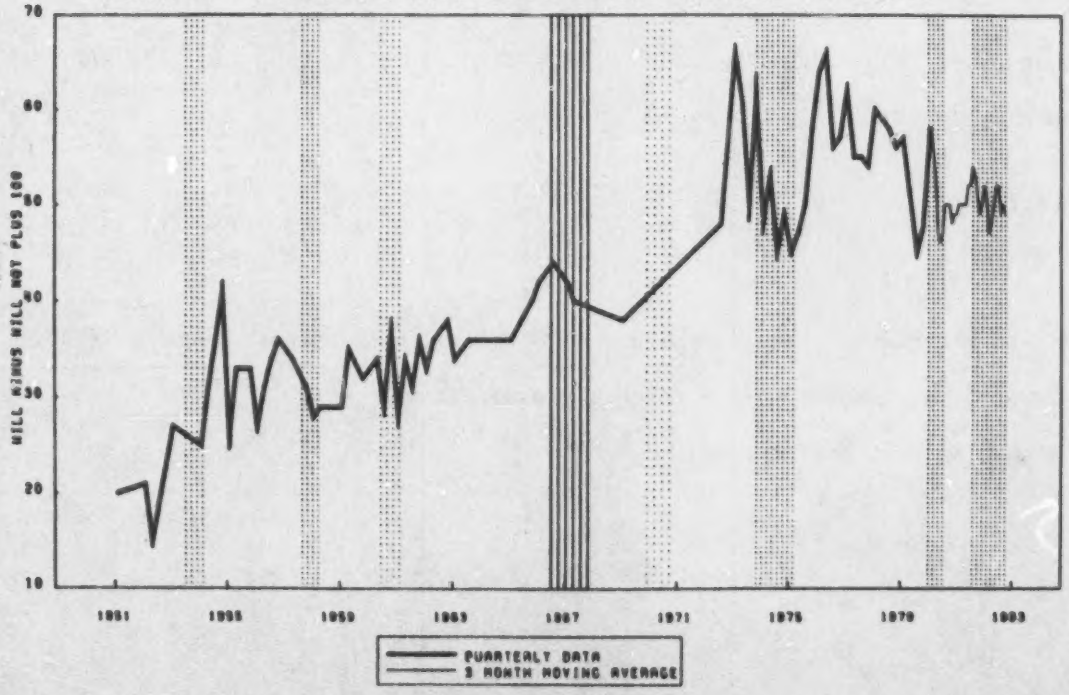


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
PROBABLY WILL BUY	14%	19%	19%	16%	17%	14%	17%	19%	18%	16%	16%	18%	16%
CHANCES ARE EVEN	7	6	7	8	7	7	6	8	7	8	7	5	7
PROBABLY WILL NOT BUY	70	66	64	67	68	70	67	63	68	66	68	67	67
DK,NA	9	9	10	9	8	9	10	10	7	10	9	10	10
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	712	690	701	704	700	684	702	691	703	708	680	695	687

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	21%	25%	26%	24%	24%	21%	23%	27%	25%	24%	23%	23%	23%
PURCHASE TYPE:													
Buy new	10	11	11	9	11	11	11	13	9	11	12	10	11
Buy used	9	12	13	13	11	9	11	11	13	11	9	12	11
Lease	1	*	1	1	1	*	1	1	2	1	1	*	1
DK,NA	1	2	1	1	1	1	*	2	1	1	1	1	*
PURCHASE TIMING:													
Next 3 months	4	2	1	5	3	1	4	4	2	6	4	2	4
Next 4-6 months	6	6	5	7	6	5	7	7	5	6	5	5	5
Next 7-9 months	3	8	10	6	7	5	6	7	6	3	3	4	5
10 months or more	4	4	6	3	5	6	2	3	7	4	4	7	5
DK,NA	4	5	4	3	3	4	4	6	5	5	7	5	4

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Oct. 1981	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	70%	66%	64%	67%	68%	70%	67%	63%	68%	66%	68%	67%	67%
PURCHASE TYPE:													
Would buy new	38	34	33	36	37	38	39	34	37	38	40	37	39
Would buy used	29	29	29	30	28	31	26	28	29	25	27	29	27
DK,NA	3	3	2	1	3	1	2	1	2	3	1	1	1
PURCHASE TIMING:													
Less than 2 years	5	7	6	7	5	10	5	5	6	4	5	5	5
2 years	20	18	22	23	22	22	21	20	25	20	22	23	23
3 years	11	8	9	12	11	11	12	11	13	13	12	11	11
4 years or more	24	19	19	19	22	21	22	19	16	21	18	20	19
Indefinite	4	4	3	3	1	1	1	2	3	2	4	3	3
DK,NA	6	10	5	3	7	5	6	6	5	6	7	5	6

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

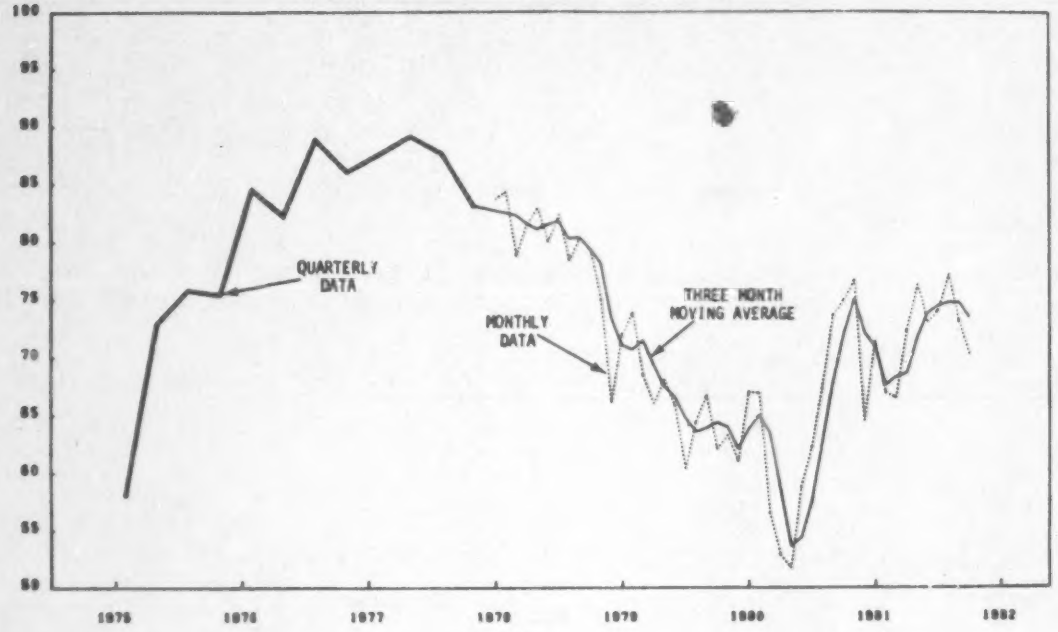
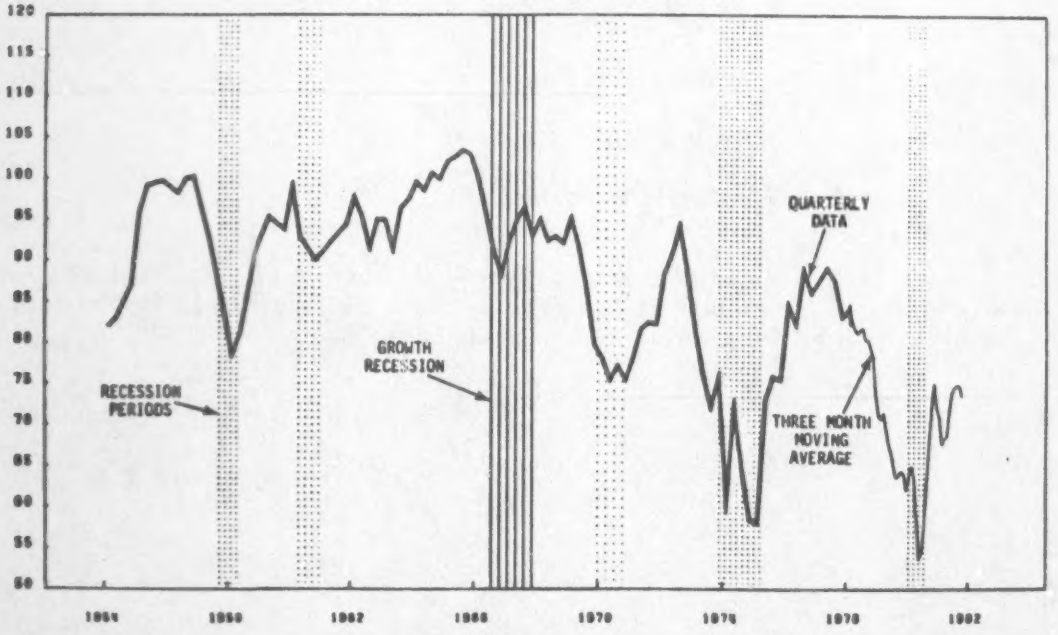


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November	1948 -	October	1949
	July	1953 -	May	1954
	August	1957 -	April	1958
	April	1960 -	February	1961
	June	1966 -	November	1967*
	December	1969 -	November	1970
	November	1973 -	March	1975
	January	1980 -	July	1980
	July	1981 -		

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b]Average size of monthly surveys.

[c]Average size of two monthly surveys.

[d]Average size of three monthly surveys (one quarter).

11/8/82 U7475-2 A

November 5, 1982

OCTOBER 1982 MONTHLY REPORT

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

SENTIMENT IMPROVES AS INTEREST RATES DECLINE

** In the October 1982 survey, the Index of Consumer Sentiment was 73.4, up from 69.3 one month earlier and 65.4 three months earlier. The October 1982 reading was higher than any of the previous twelve months. The recent improvement has been due to interest rate declines.

** Among families with incomes of $25,000 or more, the Index was 80.9 in the October survey, just below the 81.1 recorded in September. Whereas relatively greater improvement was recorded among high-income families in September, relatively greater improvement was recorded among middle and low-income families in the October survey. All income groups recorded improved sentiment compared with one year earlier.

** Consumer evaluations of their current financial situation remained unfavorable in the October survey, although somewhat improved from one month earlier. Improvement in personal finances has been largely due to declines in inflation, with the October 1982 survey recording the lowest proportion mentioning the adverse impact of inflation on their family budgets in more than four years. In the October 1982 survey, more than twice as many families expected improvement than expected financial declines--35 versus 16 percent. This represents the most optimistic personal financial outlook recorded during the past five years.

** Twice as many families expected business conditions to improve than to worsen during the year ahead in the October 1982 survey, a more favorable outlook than either one month or one year earlier. The major reason given by consumers for these more optimistic expectations involved declines in interest rates. Interest rates were expected to continue to decline during the year ahead by 48 percent of all families in the October 1982 survey, more than twice the proportion that expected increases.

** The widespread awareness of interest rate declines led to more favorable buying attitudes. The proportion of families that viewed buying conditions for houses favorably doubled during the past three months and reached 32 percent in the October 1982 survey. Car buying attitudes also improved in the October survey due to more favorable interest rate expectations. Despite these favorable expectations for change, reports of purchase postponements due to high current interest rates remained widespread in the October 1982 survey.

* * *

The October survey recorded a widespread awareness of declines in interest rates, and the expectation that these declines will continue in the year ahead. Consumers expected the interest rate declines to improve business conditions generally, as well as to improve buying conditions, especially for houses and cars. Declines in rates on consumer loans, coupled with favorable views of market prices, will release pent-up demand. The recovery in consumer sales will benefit from more favorable attitudes and expectations; however, a sustained recovery in consumer sales will depend on improvement in people's ability to buy--both in terms of the extent and duration of declines in interest rates as well as renewed growth in household incomes.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

High Unemployment Levels Expected to Persist

Spreading unemployment continues to dominate consumer views of the economy. When respondents were asked to identify recent economic developments they had heard and could recall, the proportion of families that reported increases in unemployment was 48 percent in the October 1982 survey, just below the 52 percent recorded in the prior three months. The announced September double-digit unemployment rate thus did not escalate the otherwise all-time record level of concern. Although unemployment expectations are still quite unfavorable, some improvement has been recently recorded. During the past year the proportion of respondents that expected unemployment to decline in the year ahead rose from 11 to 21 percent, while the proportion that expected further increases in unemployment declined from 50 to 41 percent in the October survey. This small improvement nonetheless leaves unemployment expectations at very unfavorable levels, with three-in-four families expecting unemployment to remain unchanged or to increase further from its current record level.

The October 1982 survey found consumers more concerned with unemployment than inflation as the major economic problem facing the nation by the widest margin recorded during the past decade. Among all families, 67 percent thought unemployment was the more serious economic problem in the October 1982 survey, more than three times the 20 percent that selected inflation.

Overall confidence in government economic policies to combat unemployment and inflation was unchanged in the October survey from one month earlier, remaining near the lowest levels recorded under the Reagan administration. Among all families, 21 percent rated government economic policies favorably in October, up from 19 percent in September, but well below the 31 percent recorded in October 1981. Families more frequently rated government economic policies unfavorably in October 1982 (33 percent) than one month (31 percent) or one year earlier (25 percent).

Interest Rate Declines Improve Outlook for Economy

In contrast to the widespread and persistent concern with unemployment, the September and October 1982 surveys recorded significant increases in reports of lower interest rates. In October 1982, 17 percent mentioned hearing news of interest rate reductions (up from 3 percent one year earlier), while the proportion that mentioned high interest rates fell to 3 from 10

percent during the last year. Favorable references to interest rate trends in the September and October 1982 surveys were the highest ever recorded in the history of these surveys. Moreover, consumers expected interest rates to continue their recent decline in the year ahead by more than a two-to-one margin (48 versus 22 percent). This increased awareness and attention to interest rate trends is due not only to the recent high levels of interest rates, but also to their variability during the past several years.

Twice as many consumers now expect business conditions to improve rather than worsen during the year ahead. Among all families, 40 percent expected the economy to improve in October, up from 36 percent in September, and 31 percent in October 1981. The proportion that expected business conditions to worsen fell to 20 percent in October 1982 from 25 percent one year earlier. When asked why they thought the economy would improve or worsen, respondents in October more frequently expected interest rate declines to help improve the economy (15 percent, up from 6 percent one year earlier). Interestingly, unfavorable references to the impact that government economic policies had on the economy also declined to 8 percent of all respondents in October, down from 12 percent in September 1982, while favorable references to government economic policies held at 11 percent for the third consecutive month.

Long term business expectations improved during the past few months, and were less pessimistic in October 1982 than any time during the past year. The proportion that expected bad times financially over the longer term fell to 49 percent in the October 1982 survey from 57 percent one year earlier. The proportion of families that expected good times financially in the economy as a whole during the next five years was 32 percent, up from 28 percent in September 1982 and 24 percent in October 1981.

These trends indicate that despite the expected improvement in business conditions, the return of good times financially to the economy as a whole is not soon expected.

Buying Attitudes Improve

Attitudes toward buying conditions for houses improved significantly during the last three months. From July to October 1982, the proportion of families that held favorable attitudes toward buying conditions for houses rose from 15 to 32 percent, while the proportion holding unfavorable

attitudes fell from 76 to 62 percent. Although still unfavorable by a substantial margin, the October 1982 survey recorded more favorable house buying attitudes than at any time since October 1980. The major factor responsible for this improvement has been interest rate declines. When respondents were asked to explain their views on house buying conditions, references to high mortgage rates fell from 82 percent in July to 60 percent in the October 1982 survey, while expectations of lower mortgage rates rose from 4 to 23 percent.

The recent improvement in house buying attitudes is similar to the improvement recorded in mid-1980 when market interest rates underwent a steep decline. From May to August 1980 house buying attitudes improved sharply as mentions of high interest rates declined from 75 to 41 percent, and expectations of lower mortgage rates increased from 6 to 28 percent. Unfortunately, unlike market interest rates, the decline in mortgage rates was marginal and short- lived. As a result, house buying attitudes quickly reverted to record low levels. The recent improvement in house buying attitudes will likewise be sensitive to actual trends in mortgage rates.

In addition to the more favorable mortgage rate outlook, market conditions for houses have also improved due to more favorable price perceptions. In the October 1982 survey the availability of lower housing prices was mentioned by 17 percent of all families--the highest reading in almost two decades. At the same time, complaints about high housing prices declined to 21 percent in October, the lowest level recorded in the past decade.

Declines in interest rates also led to significant improvements in car buying attitudes. The proportion of all families that held favorable car buying attitudes increased to 44 percent in October, up from 40 percent in September and 37 percent one year earlier. Unfavorable car buying attitudes fell to 46 percent in October, from 49 percent in September and 53 percent in October 1981. The primary reason given by consumers for this improved outlook involved lower interest rates. Among all families, the proportion that mentioned high interest rates fell to 19 percent in October 1982 from 32 percent in July (the all-time record level), while mentions of lower interest rates increased to 11 from 5 percent during the past three months.

During the past year consumer perceptions of car prices have also improved. In the October 1982 survey more families made favorable references to the availability of lower prices and discounts than made unfavorable

references to high prices (29 versus 26 percent). Compared with a year earlier, the proportion of families that mentioned lower prices rose from 20 to 29 percent, while the proportion of families that mentioned high prices fell to 26 percent from 36 percent. Such a favorable view of car prices has been recorded only rarely during the past several decades.

Attitudes toward buying conditions for large household durables improved in the October survey from one month earlier, but unlike car and house buying attitudes, remained less favorable than one year earlier. The proportion of all families that rated durable buying conditions favorably rose to 46 percent in October 1982, up from 42 percent in September, but well below the 52 percent recorded in October 1981. Unfavorable durable buying attitudes fell to 40 percent in October from 44 percent one month earlier, but remained above the 35 percent recorded in October 1981. The recent small improvement has been due to fewer complaints of high interest rates (falling from 24 to 16 percent during the past three months), while mentions of the availability of lower interest rates rose marginally to 5 from 2 percent three months earlier. The relatively smaller impact of favorable interest rate trends on buying attitudes toward durables reflects both less dependence on credit purchases and less responsiveness in the interest rates charged on credit card accounts.

Consumers Await Interest Rate Declines

Declines in interest rates have been a prevalent expectation during most of 1982. Recent declines in market interest rates have acted to confirm these expectations, and left consumers more resistant to the current rates charged on consumer loans. The October 1982 survey recorded continued widespread postponement of purchases due to high interest rates. Among all families in the October 1982 survey, 35 percent said they had postponed purchases, unchanged from the September reading (see Tables A and B). Vehicles were the type of purchase most frequently postponed, reported by 15 percent, up from 12 percent three months earlier. Despite the widely announced declines in the market rates, the median interest rate reported as the rate that would have been charged on the postponed purchases was 17.6% in October 1982, a figure that has remained largely unchanged in the past year. These surveys thus offer no evidence that consumers have yet experienced significantly lower rates on consumer loans.

Declines in Inflation Improve Personal Finances

Consumer evaluations of their current financial situation remained unfavorable in the October 1982 survey, although they have improved somewhat during the past several months and have regained year earlier levels. Among all families, 34 percent reported that their financial situation had improved, up from 31 percent in September 1982 and October 1981. The proportion of families in the October survey that reported financial reversals declined to 39 percent from 42 percent in September, but remained somewhat above the 36 percent recorded one year earlier. Fewer families mentioned the adverse impact of inflation on their household budgets, falling from 33 percent in October 1981 to 23 percent in October 1982--the lowest level recorded in more than four years. Compared with last October, families more frequently reported income declines (16 to 21 percent), as well as income increases (28 to 32 percent).

Families have increasingly come to expect financial improvement in the year ahead. In the October 1982 survey, more than twice as many families expected improvement rather than financial declines in the year ahead--35 versus 16 percent. This represents the most optimistic personal financial outlook recorded during the past five years, largely due to more favorable real income expectations. Fewer families in October 1982 expected their income to remain unchanged or decline during the year ahead (37 percent) than one month earlier (43 percent).

* * *

The October 1982 survey contained 687 interviews completed between September 27 and October 27, 1982.

TABLE A

INTEREST RATE EFFECT ON CONSUMER PURCHASES
DURING THE LAST SIX MONTHS

	June 1980	Oct. 1981	Nov. 1981	Jan. 1982	Feb. 1982	Apr. 1982	May 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982
Postponed Purchases:[a]	15%	30%	37%	33%	33%	33%	31%	30%	36%	35%	35%
Vehicles	5	11	15	12	10	12	12	12	13	14	15
House, home repairs	2	11	15	10	11	12	11	9	10	9	10
Household durables	7	8	8	10	10	8	7	9	11	9	8
Other	1	4	5	6	7	8	5	5	7	6	6
No postponed purchase	84	67	62	66	66	67	68	68	62	63	65
DK; NA	1	3	1	1	1	*	1	2	2	2	*
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

*Less than half of one percent.

[a]Items may add to more than total, due to multiple mentions.

See Table B for question wording.

TABLE B

INTEREST RATE EFFECT ON CONSUMER PURCHASES
DURING THE LAST SIX MONTHS

Postponed Purchsases	Oct. 1981	Nov. 1981	Jan. 1982	Feb. 1982	Apr. 1982	May 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982	October 1982 Vehicles	October 1982 House, Real Estate	October 1982 Household Durables
All households	30%	37%	33%	33%	33%	31%	30%	36%	35%	35%	15%	10%	8%
Interest rate that would have been charged on postponed purchase													
Median	17.3%	17.6%	17.5%	17.8%	17.5%	17.5%	17.7%	17.5%	17.6%	17.6%	17.3%	16.7%	18.4%
Highest interest willing to pay to make purchases													
Median	11.8%	12.0%	12.0%	12.0%	12.1%	11.7%	12.0%	11.9%	11.9%	11.8%	11.7%	11.4%	11.9%
Difference between interest rate charged and willing to pay													
Median	4.6%	5.0%	4.9%	5.3%	4.9%	5.3%	5.6%	5.3%	5.0%	5.5%	5.3%	4.7%	6.5%

The questions asked were: June 1980: "The government has recently imposed some controls on the use of credit. Are you (and your family living there) putting off any kinds of purchases because of the new credit controls?" and "What purchases are being delayed?"

October 1981 to September 1982: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?", "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest interest rate at which you would have purchased (ITEM)?"

11/6/82 U7475-2 A

SURVEYS OF CONSUMER ATTITUDES

TABLES AND CHARTS

NOVEMBER 1982

MONITORING ECONOMIC CHANGE PROGRAM

Institute for Social Research

TABLES AND CHARTS

NOVEMBER 1982

The November 1982 survey is the 170th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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TABLE OF CONTENTS

CHART/ TABLE	TITLE
1	THE INDEX OF CONSUMER SENTIMENT
2	INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS
3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
8	EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS
9	PAST CHANGE IN REAL FAMILY INCOME
10	EXPECTED CHANGE IN REAL FAMILY INCOME
11	TREND IN FAMILY INCOME AND PRICE COMPARISON
12	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
13	SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
14	CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO
15	EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR
16	REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR
17	TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS
18	BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS
19	BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS
20	EXPECTED CHANGE IN UNEMPLOYMENT
21	EXPECTED CHANGE IN INTEREST RATES
22	CHANGE IN PRICES DURING THE LAST 12 MONTHS
23	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
24	UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP
25	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
26	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
28	BUYING CONDITIONS FOR HOUSES
29	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES
30	BUYING CONDITIONS FOR CARS
31	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
32	PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS
33	CURRENT VEHICLE PURCHASE INTENTIONS
34	FUTURE VEHICLE PURCHASE INTENTIONS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

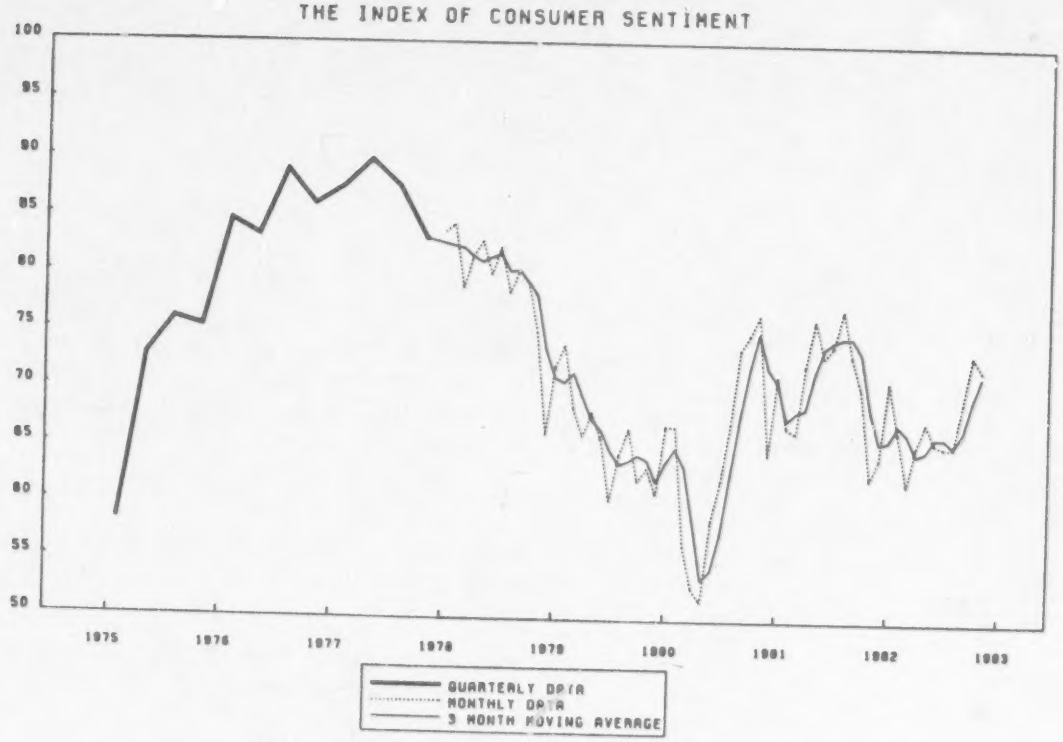

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

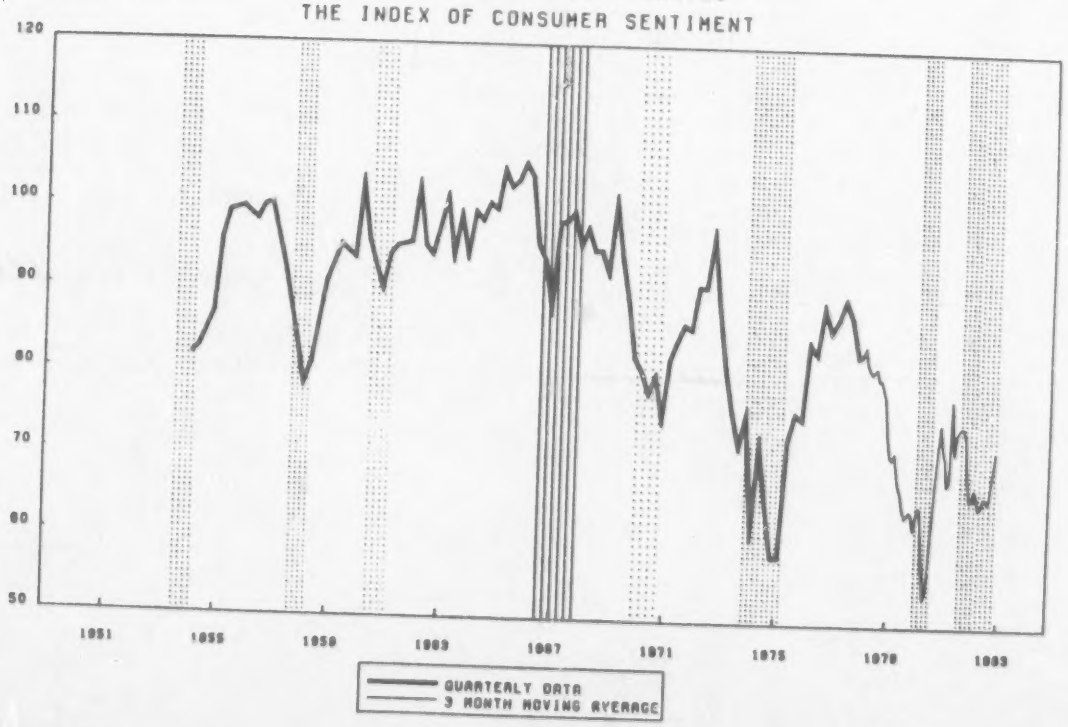

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
November 1979	63.3	68.3	69.9
December 1979	61.0	66.2	73.2
January 1980	67.0	70.8	70.9
February 1980	66.9	70.8	73.5
March 1980	56.5	62.3	64.5
April 1980	52.7	54.2	57.2
May 1980	51.7	55.2	53.3
June 1980	58.7	61.6	63.7
July 1980	62.3	67.6	67.3
August 1980	67.3	70.9	74.2
September 1980	73.7	78.1	78.5
October 1980	75.0	76.3	78.7
November 1980	76.7	82.7	87.5
December 1980	64.5	66.9	68.6
January 1981	71.4	74.8	77.1
February 1981	66.9	74.2	77.5
March 1981	66.5	72.1	73.7
April 1981	72.4	77.1	78.0
May 1981	76.3	80.8	85.0
June 1981	73.1	81.2	82.9
July 1981	74.1	80.8	82.1
August 1981	77.2	82.7	85.0
September 1981	73.1	75.2	73.3
October 1981	70.3	74.5	77.9
November 1981	62.5	67.2	66.3
December 1981	64.3	71.0	71.1
January 1982	71.0	77.9	77.8
February 1982	66.5	71.5	72.8
March 1982	62.0	67.0	67.9
April 1982	65.5	71.5	73.2
May 1982	67.5	72.7	74.8
June 1982	65.7	71.4	72.9
July 1982	65.4	68.9	69.2
August 1982	65.4	71.0	73.6
September 1982	69.3	78.4	81.1
October 1982	73.4	77.5	80.9
November 1982	72.1	79.3	81.1

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

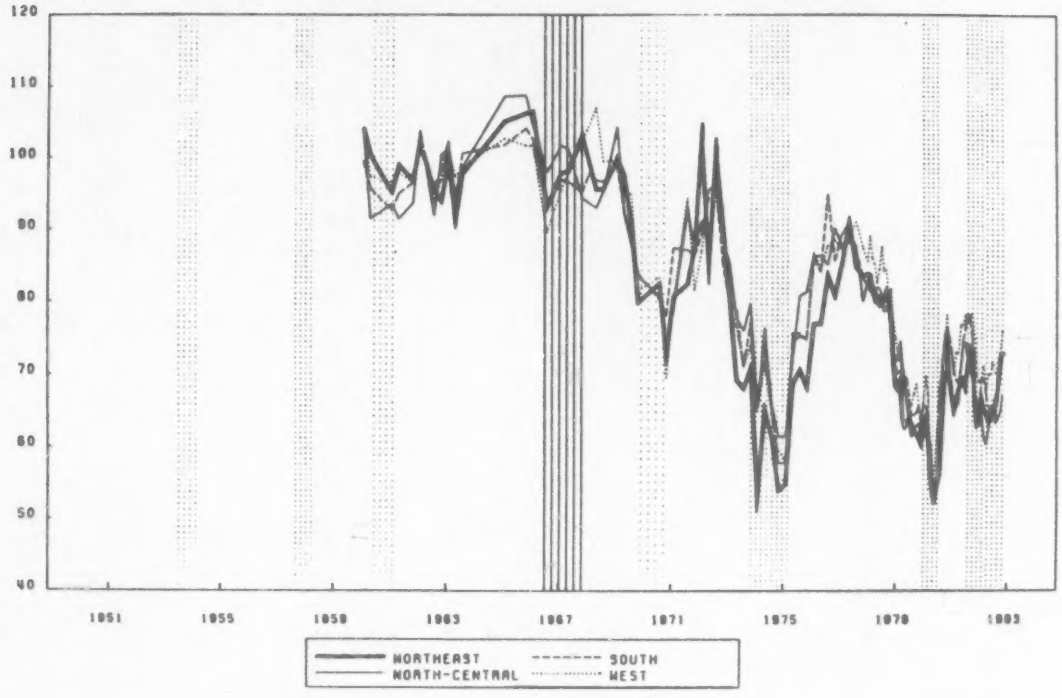

CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

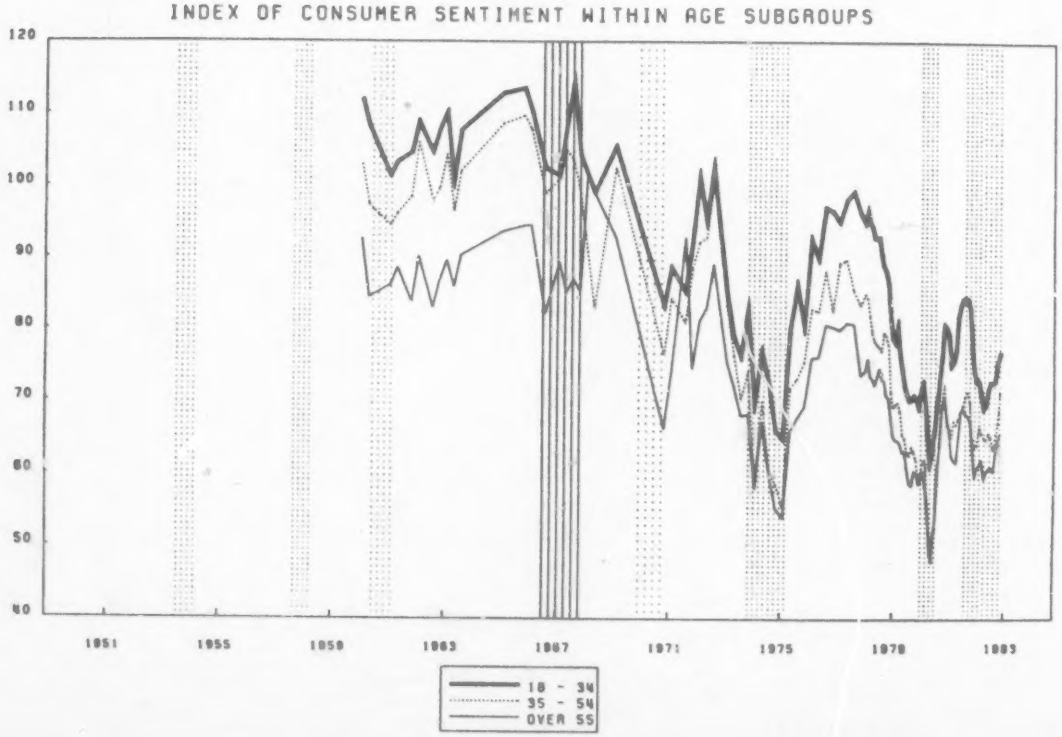

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
November 1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December 1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January 1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February 1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March 1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April 1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May 1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June 1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July 1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August 1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September 1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October 1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November 1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December 1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January 1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February 1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March 1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April 1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9
May 1981	66.8	76.6	77.5	82.2	87.7	71.2	70.0
June 1981	68.5	74.0	75.2	73.8	81.7	67.0	69.6
July 1981	68.9	72.2	76.5	78.1	84.2	70.6	67.6
August 1981	77.0	70.1	83.2	79.2	87.8	75.0	67.9
September 1981	75.1	69.9	72.4	76.6	81.4	68.8	69.2
October 1981	67.9	68.2	68.9	79.0	80.7	65.9	64.8
November 1981	55.8	64.7	61.1	68.8	71.3	59.6	57.7
December 1981	65.0	65.3	64.4	61.6	70.9	65.3	56.7
January 1982	68.8	67.3	72.0	76.2	76.6	67.4	68.5
February 1982	65.9	60.6	71.8	68.8	71.5	68.3	59.0
March 1982	60.5	55.8	64.7	68.2	65.5	61.4	58.8
April 1982	67.2	64.6	65.0	65.8	70.6	65.5	60.4
May 1982	62.4	66.5	66.6	75.7	72.7	67.6	62.0
June 1982	65.4	65.0	64.9	68.6	72.4	64.4	60.3
July 1982	65.1	64.0	63.5	71.1	73.4	63.3	60.6
August 1982	68.1	60.6	64.0	70.6	72.6	62.9	60.2
September 1982	70.3	67.2	71.1	68.8	73.0	66.7	68.0
October 1982	77.8	66.2	74.1	79.3	81.2	72.1	65.5
November 1982	70.6	67.9	73.2	79.3	76.6	75.7	63.8

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

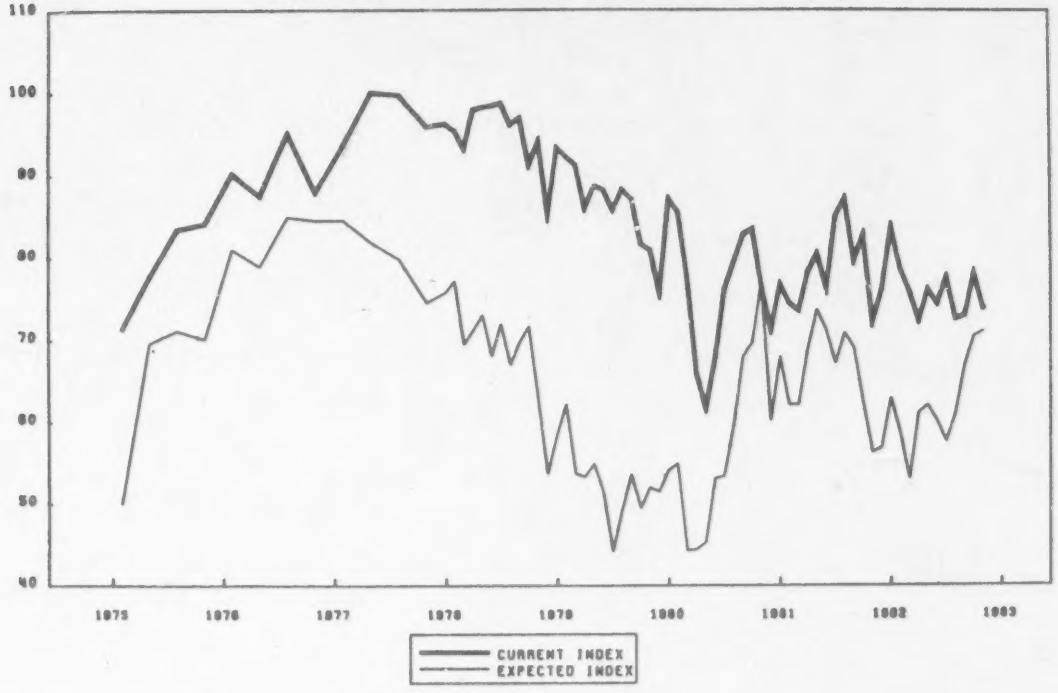

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

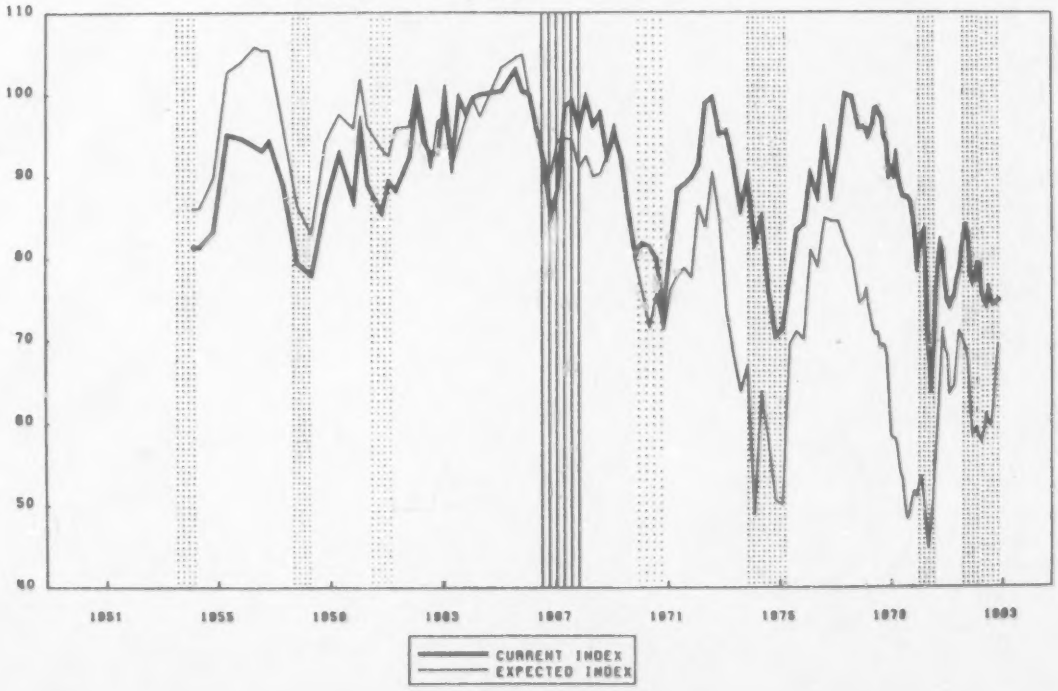

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
November 1979	86	97	52	54	120	80.9	52.0
December 1979	83	101	50	50	110	75.8	51.5
January 1980	96	106	58	47	127	87.1	54.1
February 1980	85	99	55	60	134	85.5	54.9
March 1980	76	92	38	41	116	75.3	44.3
April 1980	73	94	32	45	94	65.8	44.4
May 1980	79	100	31	44	77	61.7	45.3
June 1980	78	101	43	63	93	67.4	53.0
July 1980	90	105	45	58	104	76.1	53.4
August 1980	93	111	63	60	109	79.4	59.6
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1
April 1981	79	111	83	78	121	78.1	68.8
May 1981	95	118	92	81	111	80.4	73.6
June 1981	89	113	91	78	104	76.1	71.2
July 1981	99	114	81	70	118	84.9	67.1
August 1981	100	117	92	72	123	87.1	70.8
September 1981	94	113	80	80	109	79.5	69.0
October 1981	95	110	68	67	117	82.7	62.3
November 1981	85	110	54	56	99	72.1	56.3
December 1981	94	110	54	61	101	75.9	56.8
January 1982	92	115	66	70	124	83.5	62.9
February 1982	91	112	56	65	111	78.6	58.7
March 1982	89	106	44	60	106	75.9	53.1
April 1982	87	111	62	70	99	72.3	61.1
May 1982	94	113	62	72	102	76.1	62.0
June 1982	92	116	58	65	99	74.3	60.1
July 1982	90	113	53	63	110	77.5	57.6
August 1982	89	110	64	69	97	72.5	60.9
September 1982	89	116	76	74	98	72.9	66.9
October 1982	95	119	79	83	106	78.1	70.4
November 1982	85	121	77	86	105	73.8	71.0

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

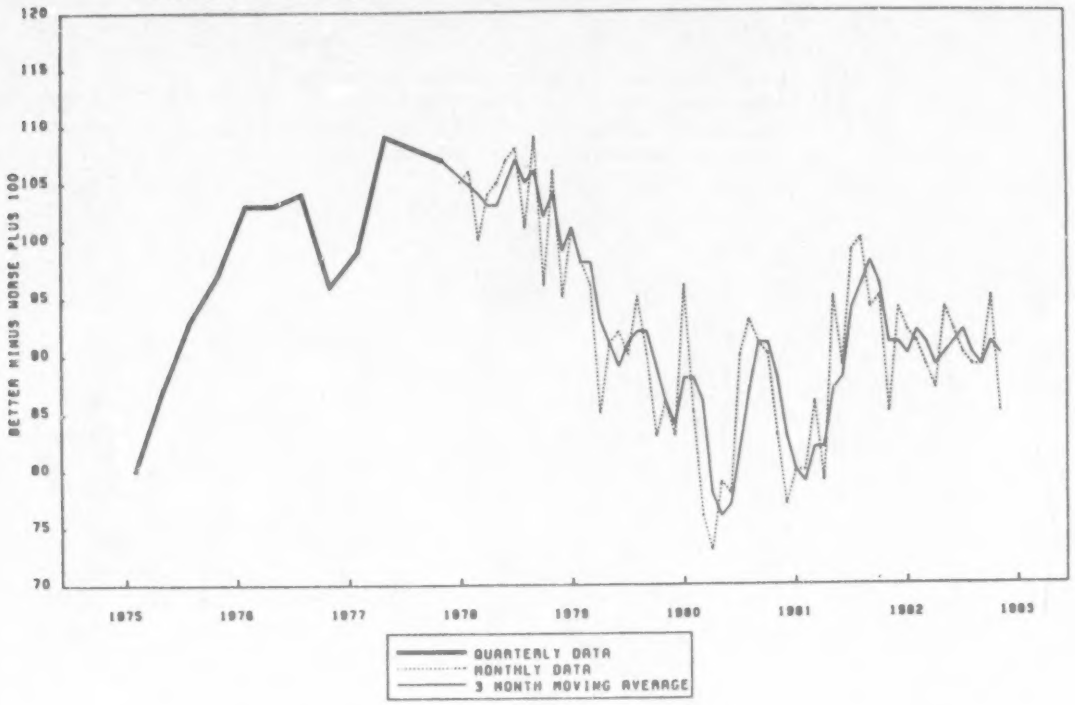

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

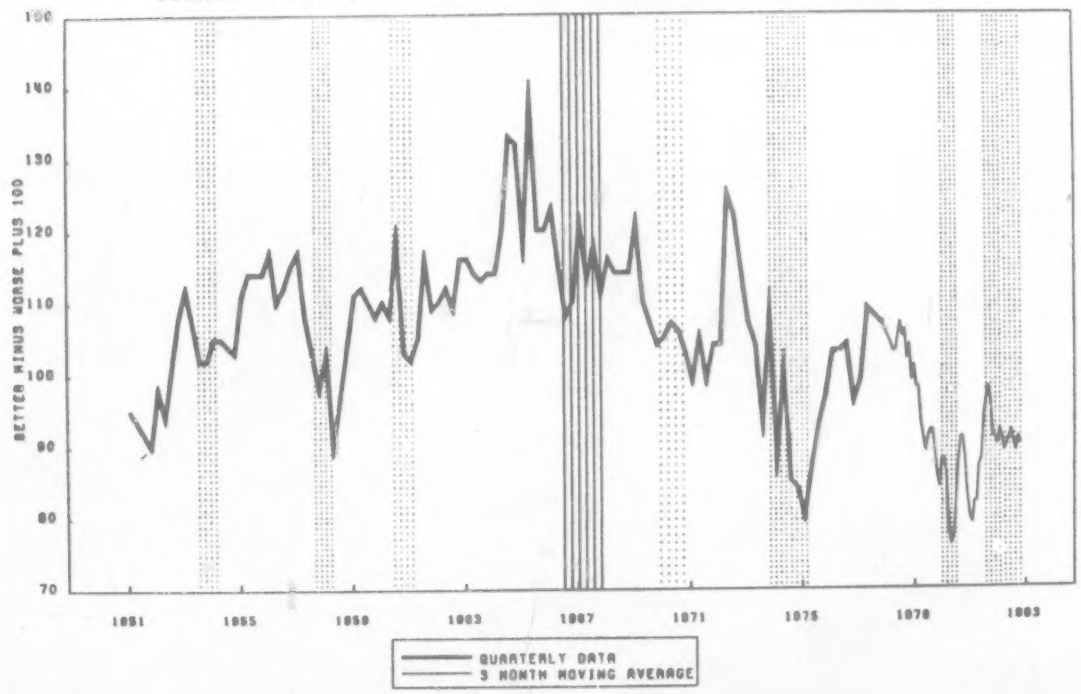

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Nov. 1981	Dec. 1981	Jan. 1982	Feb. 1982	Mar. 1982	Apr. 1982	May 1982	June 1982	July 1982	Aug. 1982	Sept 1982	Oct. 1982	Nov. 1982
BETTER OFF	29%	32%	32%	30%	31%	27%	31%	30%	31%	29%	31%	34%	31%
SAME	27	29	28	30	27	33	32	32	28	30	27	27	23
WORSE OFF	44	38	40	39	42	40	37	38	41	40	42	39	46
DK,NA	*	1	*	1	*	*	*	*	*	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	701	704	700	684	702	691	703	708	680	695	687	682

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

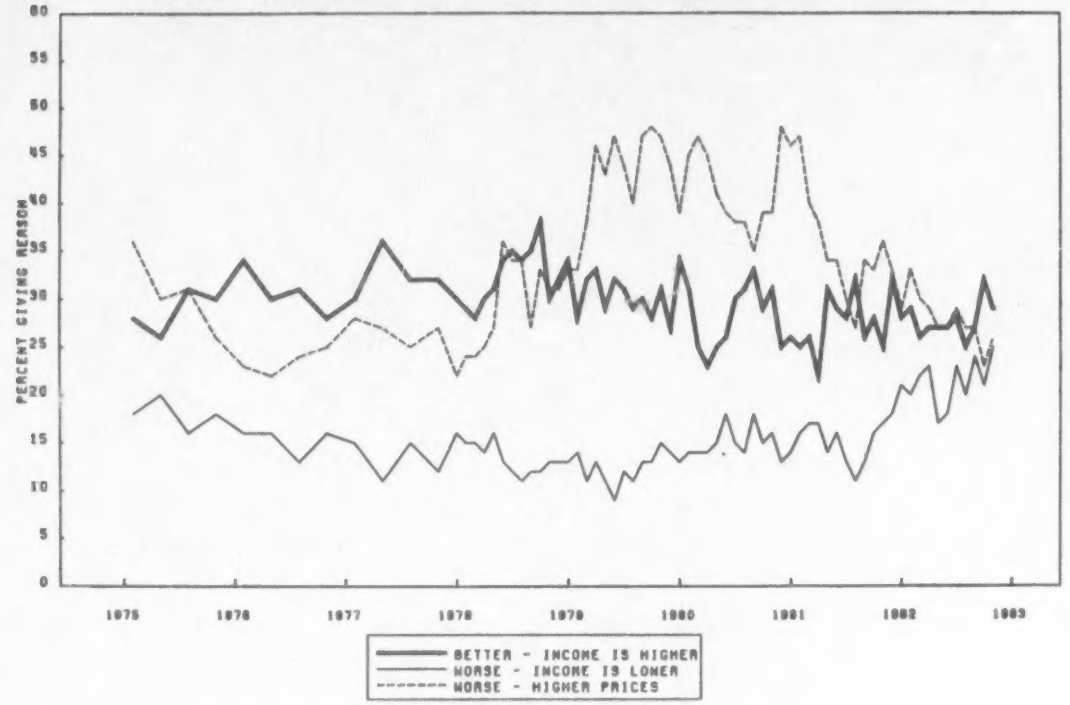

CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION